Washington MONTHLY

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BY MARIAH BLAKE

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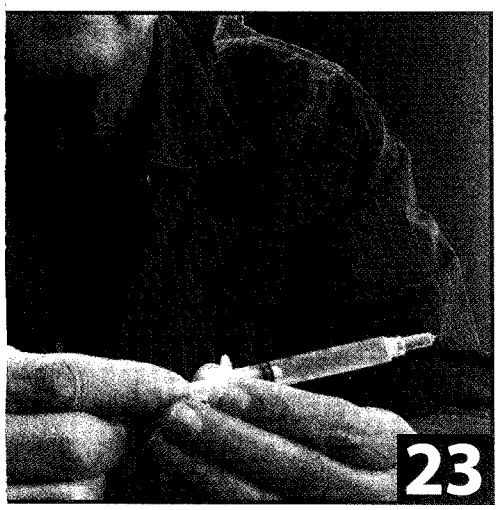

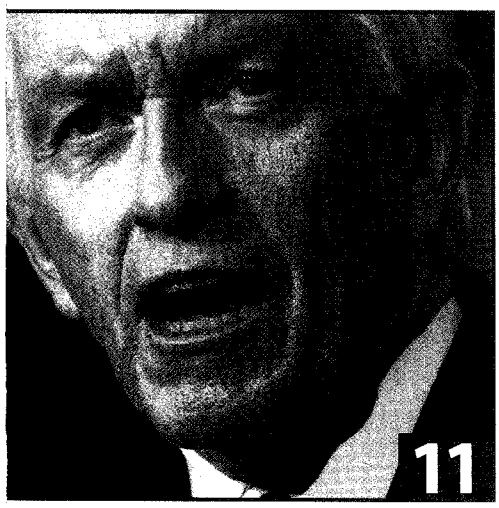

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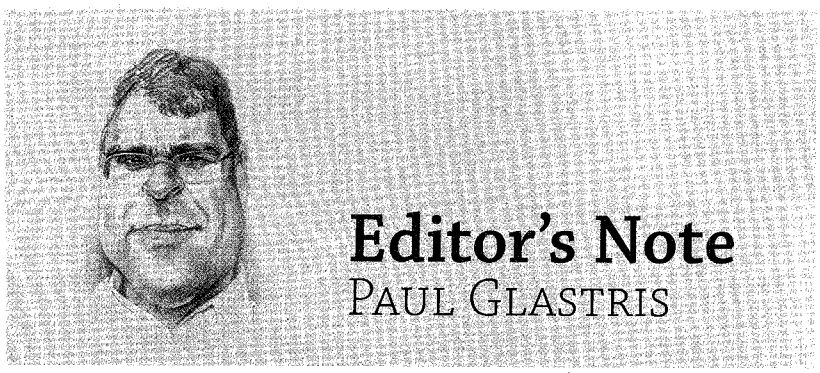

Editor's Note

PAUL GLASTRIS

Pushing Past Reform Fatigue

Back when health care reform was wearing us all down with its Bataan-like march through the legislative process, I remember thinking, Well, maybe there's an upside to this. At least the country is being forced to have a more substantive discussion about the need to lower health care costs and improve quality. Even if the ultimate bill doesn't wholly deliver on those fronts, I figured, certainly all the big problems are being exposed.

Yet amid all the wonky coverage—of public options, insurance exchanges, comparative effectiveness research, electronic medical records, and so on—do you remember reading anything about GPOs? Have you even heard of GPOs? Me neither. Turns out the acronym stands for "group purchasing organization." These are companies that serve as middlemen for hospitals in buying their medical supplies—everything from anesthesia to syringes to heart monitors.

In theory, GPOs lower health care costs by pooling the buying power of numerous hospitals to negotiate better prices from manufacturers. But as Mariah Blake explains in her cover story in this issue ("Dirty Medicine" page 23), GPOs make their money from commissions and fees paid by the manufacturers they're supposed to be haggling with—an obvious conflict of interest made possible by an obscure provision in Medicare law. In practice this gives big medical device makers and other suppliers extra clout in negotiations, which they use to set prices and terms and to keep small manufacturers—and the often lifesaving, cost-saving new products they make—off the market. It's a murky system with very little disclosure. But Blake uncovered strong evidence that in general GPOs *increase* rather than lower the prices hospitals pay for supplies.

The problems with GPOs are not unknown to the federal government. The GAO is investigating them, as is Congress. But there has been virtually no coverage in the press. And without such coverage, the corporations that profit from current arrangements and their D.C. representatives—from whom we got an earful in preparing this story—will snuff out such inclinations toward reform as exist. Already, we hear, Senate investigations that began last year won't lead to hearings until next year, if they happen at all.

In Washington, health care reform fatigue has set in. The epic legislative drama is over, health care reform passed, and now everyone's moved on to other concerns—in particular, mounting government deficits and debt. But the biggest long-term drivers of federal deficits and debt are ... rising health care costs, specifically Medicare. Nothing else comes close.

So if deficits and debt really are a top concern, then the plight of Dr. Donald Berwick should be front-page news. He's the Harvard scholar and longtime critic of the current health care system whom President Obama has nominated to run the Centers for Medicare & Medicaid Services (CMS), the agency that manages Medicare. If confirmed, Berwick will be the person most directly in charge of implementing the new health care reform law. He's widely respected, and his supporters include the man who ran CMS under George W. Bush. But Senate Republicans—who claim to be the most concerned about government spending—are (as of this writing) fighting his nomination. It's a hugely consequential confirmation battle that has attracted little media attention.

This is not a good sign for the state of journalism. The new law contains some powerful tools to rein in health care costs and improve quality, but it will take careful and sustained reporting by the press to ensure that these tools are wielded wisely. Most notably, the law creates a new fifteen-member Independent Payment Advisory Board that will mandate cuts and changes to Medicare reimbursement formulas if costs rise beyond a certain level. Journalists should keep a close eye on who the president appoints to that board, and on its subsequent activities. There are also billions of new dollars CMS can dole out to health care providers willing to experiment with radical new ways of delivering health care better and more cost-effectively, like the Veterans Affairs health care system does. News organizations ought to be embedding reporters in these new experiments the way they do with military units in wartime; the fiscal stakes for the country are that high.

Unfortunately, the press has never covered regulatory agencies or program implementation particularly well. That tendency is made worse by the hollowing out of newsrooms and, now, by heath care reform fatigue. But like a marathon runner around mile fifteen, we've got to figure out a way to push past it. WM

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TILTING *at windmills*

By Charles Peters

A hero at risk

Why has Warren Buffet risked his reputation for wisdom and objectivity to defend Goldman Sachs and Moody's? Those who have admired Buffet's support for the estate tax and opposition to the unfairness of the payroll tax, both of which are against his own self-interest, are puzzled by his unqualified defense of Goldman and Moody's, which at first blush seems to be motivated by a desire to protect his own pocketbook.

I got to know Warren forty years ago when he was good enough to put money in the *Washington Monthly* at a crucial time in its struggle for survival. I have never met a smarter man, nor one capable of a higher degree of objectivity. So I suspect somewhere in that great brain is the knowledge of what's wrong with Goldman and Moody's. I also suspect that his not speaking out is motivated not by a concern for his personal wealth but by a concern for the shareholders of Berkshire Hathaway. He too struggled early on, developing a fierce loyalty to the investors who showed faith in him. That loyalty has never wavered. Unfortunately, I fear it has now led to a defense of the indefensible and risks a permanent stain on his reputation.

Wall Street's rinse and repeat

If you are the kind of person who despairs of any real change ever happening, your conviction will definitely not be shaken by this recent headline in the *Wall Street Journal*: "Perks Keep Rising on Wall Street." Additional support for cynicism comes from another *Journal* story: it says that Citigroup, Bank of America, and Deutsche Bank are still juggling their books to conceal debt in their quarterly financial reports to the public. You would think that this practice, first exposed in the Enron scandal, would long ago have been abandoned by respectable companies. But they're still at it.

> Why has Warren Buffet risked his reputation for wisdom and objectivity to defend Goldman Sachs and Moody's?

Psst! Got any Motrin?

If you remember Johnson & Johnson's prompt and public recall of Tylenol when a handful of bottles were found to have been poisoned, you will weep at what the firm is reported to have done when it recently learned that defective Motrin was being sold. Instead of informing the FDA and announcing a public recall, it hired contractors to try to quietly buy up the product in stores around the country, even instructing the contractors never to mention the word "recall." The firm's McNeil subsidiary finally announced a recall after one of its contractors accidentally dropped his instruction sheet on a pharmacy's floor, resulting in a tip to the FDA.

Massey's canaries

"We'd be marked men" if we complained about safety problems, a miner at Massey Energy's Upper Big Branch Mine recently told a congressional committee. He describes a fear that haunts many miners: blowing the whistle could cost a man his job, and with it the ability to support his family.

Still several miners and family members found the courage to tell the committee, in the words of the *Charleston Gazette*'s Ken Ward Jr., of a culture that "put production ahead of safety and where violations were corrected only after company guards warned that inspectors were on their way underground."

Crossed-fingers management

A few issues ago I noted the tendency of White Houses to devote little or no attention to the vast bureaucracy underneath, crossing their fingers and hoping any disaster down below can be avoided on their watch. The fiasco with the Mineral Management Services is the latest example of the danger of inattention at the top.

One reason that White Houses tend to avoid bureaucratic oversight is that

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the task seems impossible, but it is not. In 1939, Franklin Roosevelt moved the Bureau of the Budget, now called the Office of Management and Budget, under the direct control of the White House, and expanded its role, not just to oversee the finances of the various government agencies but to monitor the performance of their missions. Unfortunately, the eyes-and-ears function has often been downplayed by subsequent administrations. I've seen little indication that OMB Director Peter Orszag or Obama himself understand its importance. The OMB is now too small to carry out the eyes-and-ears function. Many factors, including an infinitely curious president, go into effective oversight of the bureaucracy. But simply doubling the size of the OMB—which means hiring only 500 more employees, assuming those employees have the skills of good reporters—would be a major step forward.

> It makes no sense for the White House press corps to be so big. Why waste all that talent on the same stories every day?

Boys on the plane

There is some good news. I was, for example, delighted to hear from Brian Stelter of the *New York Times* that press flights have been sharply curtailed in the last few months, a victim of cost cutting by news organizations that are struggling to stay profitable.

Stelter is talking about the chartered planes that used to fly much of the White House press corps on trips taken by the president. I could never understand why all this journalistic talent was needed to cover every presidential trip. It seemed to me that beyond five or six competent reporters little incremental value was supplied by each additional journalist. In fact, the only good I could see is that the fellows seemed to enjoy the liberal beverage service and the excellent meals that were provided on these flights, which, while paid for by the media owners, were arranged by a White House staff eager to curry favor among the reporters who cover the president.

Maybe seventeen accounts of the president's walk with Bo are enough

Indeed, it makes no sense for the White House press corps to be so big. Why waste all that talent on the same stories every day? Why not put most of them out digging for the facts that could prevent disasters like the oil spill in the Gulf? We see dozens of stories making essentially the same points about an Obama press conference, yet no one visits the mines six months after the Sago disaster to see if reforms have been instituted that could prevent another disaster at Upper Big Branch. And, to the best of my knowledge, after Obama announced his approval of offshore drilling in deep water, no reporter looked into whether the drilling could be done safely or if the minerals agency was making sure that it would be done safely.

More good news you may have missed

Another piece of good news, for me at least, also comes from the *Times*. Buried on the back page in the fourth paragraph of a story about "hospitalists," a new specialty that advises patients on how to cut costs, are two facts I hadn't known: there is a provision in the new health care bill that penalizes hospitals for avoidable readmissions of patients. Such readmissions now, according to the story's author, Jane Gross, are the costliest mistakes for the government and the taxpayer and they are now occurring in one in five patients, gobbling up $17.4 billion of Medicare's $102.6 billion budget.

Obama's obsession

Jonathan Alter's new book about Obama is mostly reassuring about the president. Alter describes a man just as intelligent, unflappable, and dedicated to the public interest as those of us who voted for him believed him to be. Two seemingly minor details, however, aroused my anxiety. One is that by limiting, at the White House counsel's advice, his use of his BlackBerry to communication with only twenty-five or thirty people, he lost touch with the hundreds of people to whom he had been reaching out for advice and information. The other is his tendency to be a "control freak." One of his friends told Alter that "on a scale of one to ten, with ten being obsessive control, the president was an eight or nine."

Neither of these qualities were part of our most effective modern president's character. Far from it; Franklin Roosevelt didn't hesitate to delegate. If he was obsessive about anything, it was broadening his sources of information, not only using the Budget Bureau for that purpose, but repeatedly enlisting outside the chain-of-command sources of information.

Watching the watchers

Delegating and broadening a president's sources of information should be inseparable. When Obama delegated the task of reforming the minerals agency to Ken Salazar, he should have followed up, not only by asking Salazar to report periodically on his progress, but by having OMB or other sources keep him informed about whether reform was actually being carried out.

Unfit to print I

The *New York Times* has not done itself proud with two recent political stories. Its recent exposure of Richard Blumenthal's past misrepresentation of his military service, featuring one that occurred in 2008, buried the fact that Blumenthal had also repeatedly—and most recently this year—told the truth about his service. Blumenthal is not a cuddly

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fellow. Indeed, he can reek of pomposity and self-importance. By most accounts, however, he has been an outstanding attorney general. At very least the *Times* should have given equal prominence to the occasions on which he told the truth.

Unfit to print II

Another front-page article in the *Times*, this time about the Colorado Democratic Senate race, drove me even further around the bend. The reporter, Jeff Zeleny, did not state even one fact in incumbent Senator Michael Bennet's favor, while heaping attention and praise on his opponent. Bennet is not some hack. As head of the Denver public schools he performed with distinction, displaying intelligence and courage (see Katherine Boo's long article about him in the *New Yorker* from a few years ago). I've known and respected him for years. His brother James, now editor of the *Atlantic*, worked here in the early 1990s and became a close friend. So I may be prejudiced in Bennet's favor, but the *Times* story was prejudiced against him. And, alas, the *Times*' circulation is considerably larger than mine.

You'll also enjoy the article on unfair yacht taxes

I hate to pick on the *Times*—it is, after all, a great paper, on which I and the entire country depend every day. But another front-page story aroused, if not my anger, at least my curiosity. The headline was "A Test Parents Fear and Loathe in Private Schools." Why the front page for an article concerning only a tiny percentage of the American population, the Manhattan elite, a group that is already covered extensively by the *Times* style section? This was actually the second recent front-page article of concern only to student and parents at the Brearleys, Spences, and Daltons. A few weeks ago, similar space was afforded an account of the growth of the Brownie scout movement among girls attending exclusive East Side schools.

Peggy pegs it

Poor Obama. I'm sure when that BP well exploded in April he thought, "I can't bail out another corporation: I have to make clear that this is BP's responsibility." In retrospect, of course, it looks like Peggy Noonan is right when she says, "The original sin in my view is that as soon as the oil rig accident happened the president tried to maintain distance between the gusher and his presidency ... When your most creative thoughts in the middle of a disaster revolve around protecting your position, you are summoning trouble."

To be sure, Obama may have been at least partly motivated by a purer thought than Noonan credits him with, namely a proper desire to hold BP accountable. But I'm sure he must also have contemplated the certain prospect that, if he had immediately seized control of the response to the disaster, the Republicans would have screamed socialism.

> The wrong way to delegate: Obama told Salazar to fix the minerals agency, but then failed to make sure it was fixed.

He's not Rod

Unlike most of my colleagues in the media, I fail to see any criminal intent—or indeed Chicago-style politics—in Obama's attempt to avoid divisive primaries by exploring other opportunities for public service with potential candidates against incumbent Democratic senators. This is in no way the kind of corruption Blagojevich displayed in seeking personal profit from the sale of a public office.

State sabotage

I still think that if Obama can survive his current unpopularity, the health care bill could turn out to be a major step forward in the history of this country and a feather in the president's cap. Unfortunately, implementation of the bill requires cooperation from states, many of which are controlled by Republicans who can still sabotage it. Twenty states are suing to overturn the bill on constitutional grounds, and twenty, including many of the same culprits who are suing, have already refused to establish pools to help the hard to insure. And, most daunting of all, the most crucial element in health reform, the exchanges that can bring about real competition among insurers, have to be approved by state legislatures.

At least Glenn Beck isn't yet on the staff

Any good student of journalism has to worry about Rupert Murdoch's impact on the *Wall Street Journal*. So far there is little evidence that the news section has been corrupted. But a four-color headline taking up two-thirds of the front page of a recent special section gave me the willies. The headline read "How to Fight the IRS."

Strengthen financial reform

I worry that the prolonged domination of the media by the Gulf disaster is resulting in too little attention to financial reform. Media sunshine is desperately needed to keep Wall Street lobbyists from weakening reform. Indeed, the proposals of both the Senate and the House bills need strengthening rather than weakening. Those sophisticated in the ways of Wall Street say the prohibition against proprietary trading by banks can be evaded by hiding it under the guise of other kinds of trading. Why not take care of that problem by prohibiting all trading by banks—it is risky and does little good for the economy as a whole. My friend and financial guru, Joe

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Nocera of the *New York Times*, says he would permit such trading only when it is conducted on public exchanges. Joe recommends prohibition of the collateralized debt obligations that turned out to be a major factor in the Wall Street meltdown of 2008. As for the consumer protection agency, he points out in his column that banks with assets under $10 billion are exempt. They just happen to account for 98 percent of the nation's banks.

Government: fix, don't nix

Even liberals are now waking up to the danger of the United States becoming another Greece—a country where the public sector is consuming far too much of the nation's economy. What worries me is that the awakening will encourage blind anti-governmentism that cuts all programs without regard to their merit. Some can be cut, but many functions of government are crucial, demanding improvement, not elimination. Cuts can be made in salaries and pensions, which have in many cases become too generous. On average, government employees now make more than those in the private sector and usually have far better pensions. Automatic raises coupled with tenure have often resulted in civil servants making more than either their specific role or their ability merits. Pensions are often overly generous, in that they can be earned too early, as low as age thirty-eight in law enforcement agencies and fifty-five in other jobs in federal, and many state and local, governments. Fraudulent disability retirements have long been a scandal in police and fire departments. And pension padding is an art form that frequently involves concentrating overtime in the last few years of an employee's tenure.

Another common problem in government bureaucracies is layering. There is an almost automatic tendency for a chief to hire a deputy and for his deputy to want his subordinates to become sub-chiefs who hire more deputies who want more subordinates, all of whom not only cost more money but make getting anything done require so many approvals that bureaucratic paralysis threatens.

Even liberals are now waking up to the danger of the United States becoming another Greece—a country where the public sector is consuming far too much of the nation's economy. What worries me is that the awakening will encourage blind anti-governmentism.

Dropping the drop sides

One government agency that is reforming is the Consumer Product Safety Commission. After successive commissions first downplayed the danger that drop-side cribs would injure and even kill infants, and subsequently conducted only partially successful efforts to recall the defective cribs, the CPSC's new chairwoman, Inez Tenenbaum, is making it illegal to sell the cribs and prohibiting their use in public facilities such as day care centers and hotels.

Way to go, *Morning Joe*

The hosts of *Morning Joe*, Joe Scarborough and Mika Brzezinski, are giving their guests time to talk. This is news because most talk show hosts insist on interrupting the guest before he can get in a second sentence, sometimes even before he finishes the first. This has produced an entire generation of television guests who learned to tweet even before tweeting was invented.

Beginning with the McLaughlin Group in the early 1980s, guest interruption quickly became standard practice. The guest's survival came to depend on mastery of the one-liner. Developing a thought of the slightest complexity was impossible. So bless Joe and Mika for showing that civilized discourse is still possible on the tube.

Increase your knowledge, hold off on college

Here is some advice that applies especially to people whose families can't afford to pay for college: you don't have to go immediately from high school to college. I come from a generation that profited immensely from a delay in going to college—we were serving in the military during World War II and found the delay produced greater maturity and greater seriousness about learning. Practically everyone who taught during this period speaks of it as the time when their classes were most exciting because their students were so much readier to learn, and so much more capable of thinking for themselves and not just parroting back what teachers or textbooks said. Incidentally, working in a paid job or serving in the military before going to college could make higher education much more affordable.

At long last

As a native West Virginian, I've long wanted one of our public officials to do what Senator Robert Byrd has just done—issue a statement that, as summarized by the *Charleston Gazette*'s Ken Ward Jr., calls for a "reconsideration for West Virginia's relationship with coal mining, saying the industry cannot be allowed to dominate the state's politics while causing needless death and environmental damage." WM

Charles Peters is the founding editor of the *Washington Monthly*.

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THE CONSTITUTION OF THE UNITED STATES

Mama Bear

How Sarah Palin has inspired an army of Republican women to run for office.

By Malcolm Gay

Speaking last May at the pro-life Susan B. Anthony List, former Alaska Governor Sarah Palin described what she saw as a new breed of feminist, the kind who takes her cue from the likes of Annie Oakley—a woman, as Palin would have it, who can shoot a gun, push a plough, and raise a family all at once. "It seems like it's kind of a mom awakening," she told the crowd. "The mama grizzlies, they rear up, and if you thought pit bulls were tough, well, you don't want to mess with the mama grizzlies ... and that's what we're seeing with all these women who are banding together, rising up, saying, 'No, this isn't right for our kids.'"

Dressed in a black suit and sporting a jewel-studded cross around her neck, Palin predicted 2010 would be the year conservative women stormed Congress. "Look out, Washington!" she warned. "Because there's a whole stampede of pink elephants crossing the line, stampeding through! And the ETA is November 2, 2010."

The menagerie of metaphors notwithstanding, Palin had a point. By early June—with seventeen states yet to have reached their filing deadlines—Rutgers University's Center for American Women and Politics reported that there were already 239 female candidates running for Congress, a figure that nearly rivals 1992, the so-called Year of the Woman, when a record 251 women ran for office. But whereas in 1992 Democrats outpaced Republicans by a ratio of nearly 2 to 1, by June of this year a record 108 Republican women were running for office, nearly equaling their 131 Democratic opponents.

"The numbers are really being driven by Republican women," said Gilda Morales, data maven for the Rutgers center. "These are huge numbers."

For many of the candidates, Sarah Palin has been an inspiration. They see in Palin not only a charismatic woman scorned by the mainstream media, but also a politician with an unlikely résumé who provides a blueprint for their own political aspirations.

"She's just courageous—she's courageous and brave. She steps out there and speaks about issues that are close to her heart. It's very inspiring to watch," says Beth Anne Rankin, a music teacher and former Miss Arkansas now running against Rep. Mike Ross, Democrat from Arkansas, in the state's Fourth District. "Sarah Palin has brought such an electricity to the political landscape. She's invigorated millions of people."

Patricia Sullivan, a homemaker and first-time candidate vying for a shot in Florida's Eighth District, feels similarly. Reinforcing Palin's grizzly bear comparison, Sullivan says she entered the race "out of an innate sense of wanting to protect my cubs.

"There's something called women's intuition," explains Sullivan, whose scant political résumé includes helping to organize her local Tea Party. "Sarah Palin has put a face on the conservative woman—who's able to raise a family and also offer the good qualities that a woman can bring to the table."

Common to all of these new candidates are some hard-right beliefs. They oppose the stimulus package, auto bailouts, abortion rights, and health care reform. Many think that prayer belongs in schools, that President Obama is a socialist, and that Arizona officials have the right to demand citizenship papers from those deemed suspicious. They generally feel that Democrats have governed the country into a state of moral

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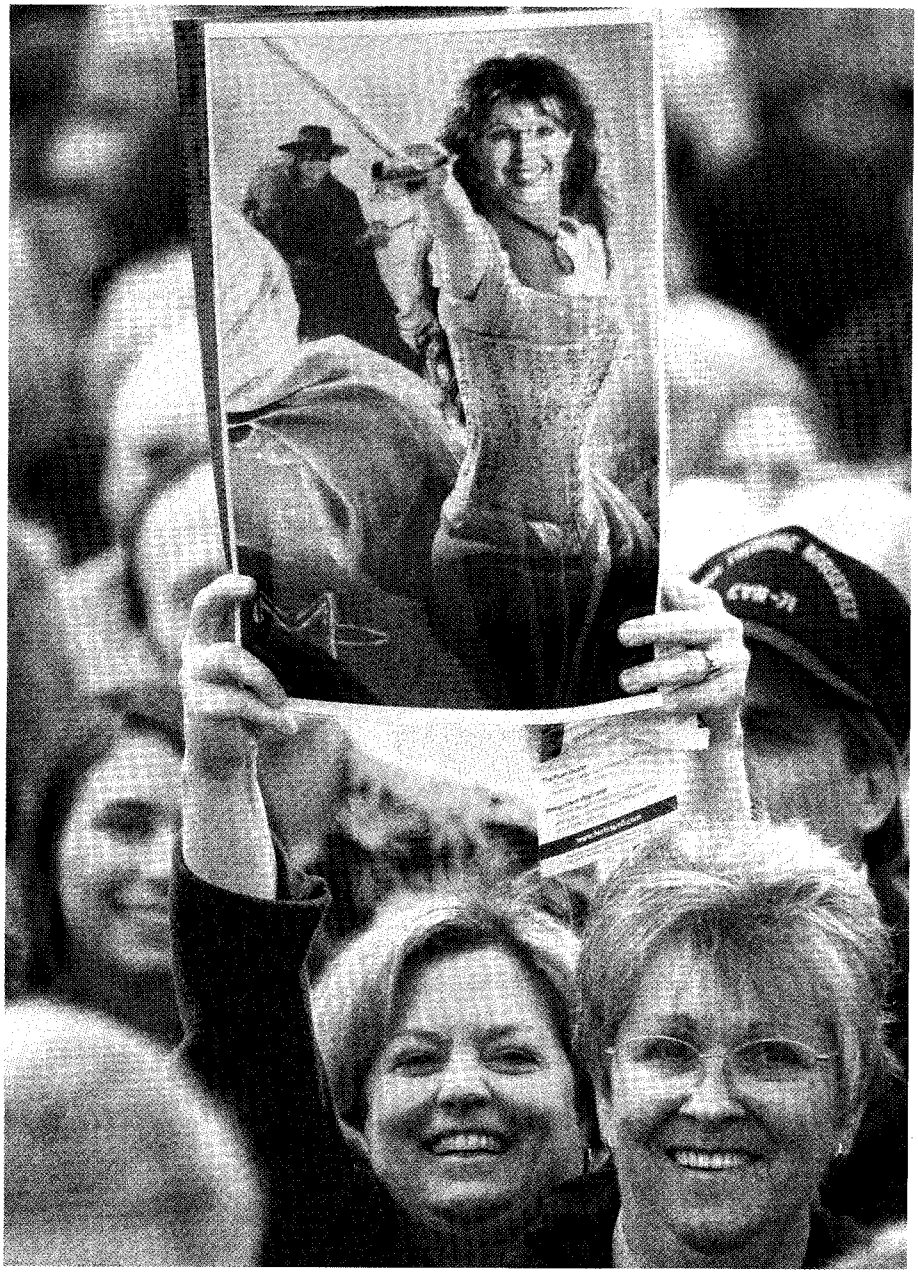

Palinmania: The GOP base loves Sarah Palin. Will it also love her many imitators?

and economic putrefaction—and they love Sarah Palin.

"Sarah Palin changed the marker for what knowledge set a candidate needs to run," said Victoria Budson, executive director of the Women and Public Policy Program at Harvard's Kennedy School of Government. "When she said she was a hockey mom, she was saying, 'It is legitimate for me to say that my key identifier is my role in the home and with kids.' ... That resonated with women all over the country."

Of course, some of these grizzlies, like Robin Smith, who is waging a fierce primary battle for Tennessee's open Third District, are seasoned political hands who got into the game long before Sarah Palin appeared on the national scene. Smith, for her part, made headlines in 2008 when her party issued a press release titled, "Anti-Semites for Obama," ominously referring to then-candidate Obama as "Barack Hussein Obama." (Time has not mellowed her. Smith's Twitter feed now includes communications like this: "Least surprising news of the day: Communist Fidel Castro praises Obamacare.")

But it's the neophytes who have surged. One is Donna Campbell, an emergency-room physician who is running a long-shot race against Democratic Rep. Lloyd Doggett in Texas's Twenty-fifth District. Campbell had never so much as dipped her toe in a candidate pool but says she was overcome by a sense of "doom" following the 2008 election and asked her county chairperson how she could help. The chairperson, says Campbell, told her to run for office. Campbell's campaign is being documented on *Running*, a political reality show produced by the conservative Right Network.

The GOP has taken notice of the mama grizzly upsurge. The women's program for the Republican National Committee is cultivating its female candidates with a series of "issue-based" conference calls and regional summits aimed at schooling its members on election issues and strategies.

"The Republican Party leadership is beginning to understand, in a way that the Democrats have for many years, that running women is good politics," said Budson. "When women run, women win."

Of course, the rise in female candidates has meant some establishment Republican women politicians—like their male counterparts—are at risk of being pushed aside by the upstarts, who often challenge their rivals' conservative credentials. In Nevada's closely watched Republican Senate primary, Tea Party darling Sharron Angle had languished in the polls against front-runner Sue Lowden, a former state senator and Miss New Jersey. Then Angle, who has frequently been compared to Sarah Palin for her folksy populism, received a cash infusion from the Sacramento-based Our Country Deserves Better PAC and managed to grab endorsements from red state heroes like Phyllis Schlafly, Pat Boone, and Joe the Plumber. Angle went on to an upset victory.

"This is a time of great political investment in change," said Budson. "And people who are marketing themselves as agents of change are doing incredibly well—particularly in the Republican Party."

Even so, this army of female candidates has a tough battle ahead: nearly 70 percent of those running for the House will face Democratic incumbents in the fall—and *that's* assuming they win their primaries. Those are daunting odds, even for a Palin-approved mama grizzly. WM

Malcom Gay is a writer living in St. Louis.

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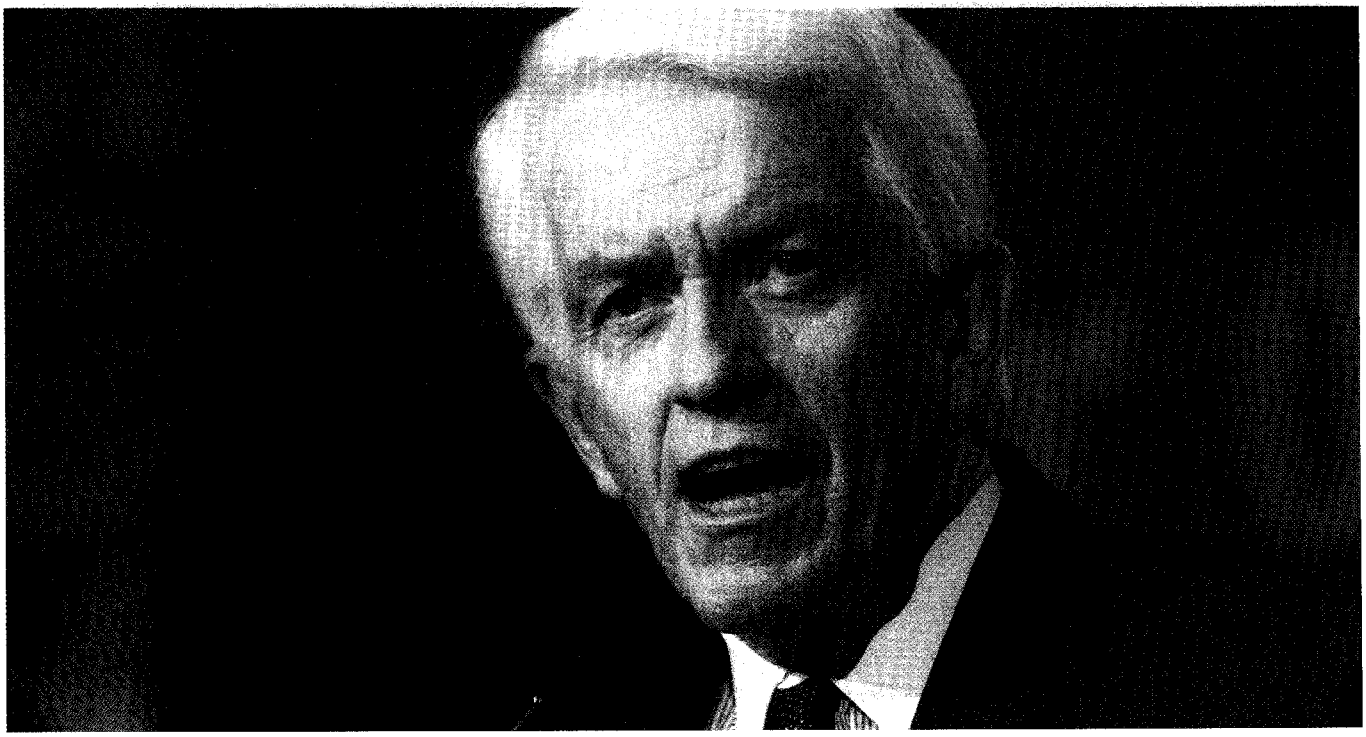

Give me a million dollars, please: Thomas Donohue, CEO of the U.S. Chamber of Commerce, is a master of "the ask."

Bloomberg via Getty Images

Show Him the Money

Tom Donohue scares millions of dollars out of corporations and Republicans. But is his U.S. Chamber of Commerce good for business?

By James Verini

Thomas J. Donohue, president and CEO of the U.S. Chamber of Commerce, has a well-developed talent for self-promotion. He makes a point of being the last person on any stage, and he leaves no detail to chance. The Chamber's event staff is famously fastidious: one of Donohue's parties involved corralling a Clydesdale horse into the Chamber's lobby. Such grandiosity is of a piece with how Donohue treats his station. He travels in a chauffeured Lincoln and a leased jet, and his salary, $3.7 million last year, makes him the sixth highest paid lobbyist in the country.

This requires funding, which Donohue secures with exceptional skill. Among his office decorations is a desk plaque that reads, "SHOW ME THE MONEY." "He used to pound his fist on the desk and say, 'Show me the money!'" a former Chamber lobbyist recalls. "He got his rocks off on it."

He leads fund-raising seminars. The same lobbyist recounted what he learned. "Donohue said, first, you walk into the room with the CEO and you hit the key issues," said the lobbyist. "Then you sit in closer to them. And you make 'the ask.' You look right into their eyes and say, 'As a result of what the Chamber is doing for your industry, I need a hundred thousand dollars.' Or, 'I need a million dollars.' And then you smile and you shut your mouth. Your instinct is to start talking because you're nervous. Don't. Just smile and stare. And wait." The lobbyist, who'd been trained well by Donohue, leaned forward and stared at me as I sat listening. I became nervous. I shifted in my chair. I started laughing, then stopped. He just stared. After a long pause he leaned back and said, "I tell you, there were people in that room who pissed in their pants."

The ask works. In 2009 the Chamber doled out somewhere in the area of $120 million on lobbying alone, five times what its nearest cohort, Exxon Mobil, spent. Much of that money went to an advertising and grassroots blitz attacking the congressional health care legislation, making the Chamber very likely the biggest spender in the debate. In the weeks leading up to health care's passage in March, it was spending $800,000 a day trying to defeat the Democratic legislation. Livid that the law went through, the Chamber has now pledged to funnel $50 million—more than twice as much as the entire cash holdings of the Republican National Committee and the National Republican Congressional Committee put together (as of late May)—into an estimated forty House races and ten Senate races this fall. About eight of every ten dollars of Chamber political donations go to Republicans.

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With such torrents of Chamber money raining down on the political process, it's rather ironic that many Americans believe the U.S. Chamber of Commerce to be part of the government. But, in a way, it's also fitting. With its legions of lobbyists, policy analysts, economists, and attorneys, its own rapid-response media center and law firm, its hundreds of international chapters and steady stream of officials, legislators, and foreign potentates flowing through its immense bronze-relief doors on H Street, the Chamber does act like a federal agency—or like a third political party on permanent campaign. "The Chamber views itself as a shadow-government policymaking body," a former Chamber economist, Lawrence Hunter, said.

Such policy, of late, has consisted of mounting major battles against regulatory initiatives emanating from the Obama White House. In addition to doing its best to block health care legislation, the Chamber also tried desperately to fend off the financial reform bill passed by the Senate on May 21. Meanwhile, its campaign to influence environmental legislation has relied in part on casting doubt on the exigency, even the existence, of climate change.

A large part of what the Chamber sells is political cover. For insurers, drug makers, and medical device manufacturers who are too image conscious to make public attacks of their own, the Chamber of Commerce is a friend who will do the dirty work.

The Chamber has lost major policy battles during the Obama presidency, and its resistance to reform has also been costly. When, last fall, the Chamber made news with what was effectively a rejection of climate science, several major companies, including Apple Inc., dropped their membership in the organization—an exodus that provided a welcome public relations boost for the White House. But under the curious rules of Washington lobbying, losses can be as good as wins. "The worst thing to happen to Tom is to have an issue resolved, even to his own favor, because then he can't raise any more funds on it," says John Schulz, a former editor at the trade journal *Traffic World*, who's covered Donohue for twenty-five years. "There's nothing he can't make a dollar on."

Many of the Chamber's efforts are undoubtedly good for certain businesses. Wall Street would prefer to avoid further financial regulation. Oil companies would prefer to avoid further environmental regulation. Whether the Chamber—which counts as members everyone from Goldman Sachs to British Petroleum, Microsoft to Wal-Mart, PepsiCo to General Motors, and hundreds of thousands of more obscure businesses in between—is good for business as a whole is another matter. With unemployment, statistical and personal, on the mind of every officeholder up for reelection this year, Republicans and Democrats claim to agree on one thing: small business will be the engine of job growth after the Great Recession. But while the Chamber has as legitimate a claim to representing this sector as any organization around—96 percent of its members have fewer than 100 employees—it is also beholden to a cadre of multinationals whose interests are often inimical to those of small business. In 2008, a third of its revenues came from just nineteen companies.

This sort of conflict doesn't appear to bother Donohue. One lobbyist at a trade association that shares many members with the Chamber describes Donohue's tack as "imperial." "If you don't like it, you can leave. That's their approach to members," he says. Not all members, though. If there's a consistent pattern to how the Chamber operates, it's that it follows the money.

I first met Donohue on an early December afternoon in Birmingham, Alabama, where he had flown in to make a speech to local business leaders and officials at a convention center. Donohue, who is seventy-one, has a Kennedyesque chin and a slab of chalk-white hair that jabs forward when he talks. His accent has the vestiges of an Irish Brooklyn drawl. "Yesterday there was a job summit," Donohue said from the podium, referring to a White House gathering put on by the Obama administration. "Of course, a lot of the people they invited to the summit haven't got any idea how to create jobs, but that was another story!" The crowd laughed appreciatively.

"But I want to tell you that every CEO I know is walking on pins and needles because there are four or five questions he doesn't have the answer to," Donohue continued, turning grave. "Tell me, what's the health care cost going to be? What is this bill going to look like, what is it going to end up like, and what is it going to cost me? Tell me what a climate bill will look like, what is it going to require, what is it going to cost?

"Remember Jimmy Carter? He was a nice man, but we had—what—twenty percent interest rates and eighteen percent inflation, or vice versa, depending on which week it was. And we can't go back there." Then, as a preamble to decrying unions, trial lawyers ("Those are the people that suck the vitality out of companies and stick it in their pockets!"), and "radical environmentalists," Donohue pointed out what a good year it had been for the Chamber. "Our revenues this year will be between $200 million and a quarter billion dol-

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lars," he boasted. "Why is that? Because people need somewhere to go to get help. They need somewhere to go where we can bring everybody together and express our views to the Congress and to the regulatory agencies and to the president and to countries around the world and to the press and to the courts!"

Donohue's pitch evidently worked. From where I was standing in the banquet hall that day, the checkbooks and fountain pens seemed to be emerging from jacket-lining pockets almost of their own volition. "What we always said was the Chamber does best when there's a Democrat in the White House, because you want businesses to be scared," a former Chamber lobbyist said. "There's no better time to raise money than when businesses are scared."

For all the bluster onstage, though, in person Donohue comes across as warm rather than scary. Like many powerful men, he likes to disarm his interlocutors with unexpected bursts of candor. "I'm not much of a Birmingham fan," he told me after the speech. He'd taken off his jacket and was slumped back in a leather chair in a conference room off the banquet hall, on the other end of a large table from a pile of palettes of crackers, Old Spice deodorant, and gym socks, part of the local Rotary's Christmas gift drive. Soon he'd be back in the air on a leased jet with his personal assistant (a former marine), his media consigliere (a former Philip Morris tobacco lobbyist), and his wife, Liz. On the agenda was another fund-raiser in Florida. "You can never have enough money," he told me, with a conspiratorial smirk, which is his smile.

While Donohue's travels reflect an avid quest for funds, they also reflect a political process that has grown in complexity. "When I first went to Washington, there were only twelve people you had to give a shit about in Congress," he said. "Now all the people in Congress, they come in and want to have their say right away. It's a much different culture."

I asked Donohue what, exactly, the Chamber does. "Two fundamental things," he replied. "We're advocates. Sure we do studies, sure we do events, sure we do meetings, sure we have all kinds of stuff, but we're advocates." And then he surprised me again with his candor. "The second thing we do is really more interesting," he said. "We're the reinsurance industry for individual industry associations and state chambers of commerce and people of that nature." An example, said Donohue, was when Wall Street found itself on the defensive in opposing new banking regulations. "They can't move forward, they can't move back, or maybe they're being overrun, and they'll come to us and say, 'Can we collect our reinsurance?'" he explained. "And then we build coalitions and go out and help them."

The example of Wall Street's attempts to resist financial regulation—and the help provided by the Chamber—is an illustrative one. The Chamber pounced early on Congress to dissuade it from passing the Consumer Financial Protection Agency Act. Donohue's troops mounted grassroots and media onslaughts around the country, dispatching local chamber officials and business members to lobby local lawmakers, and running local advertisements directly targeting them. In Montana, the Chamber aired an ad targeting Senator Jon Tester that showed a man lying awake in bed in the middle of the night, staring at the alarm clock, while a voiceover intoned, "Call Senator Tester. Tell him to stop the CFPA, because small businesses can't afford more economic pain." The Chamber put millions into this sort of advertising.

It used similar tactics against health care reform, launching a campaign that was even larger and more elaborate. The Chamber recruited local political operatives and had them set up front groups to oppose the House and Senate bills, and it also coordinated a national ad onslaught. In Arkansas's second district, for instance, the Chamber aired ads directly attacking Democratic Representative Vic Snyder for his support of the House bill. (Vic Snyder has since announced that he won't seek reelection, such an uphill battle is he now facing.) It also established a branch of a front group, the Campaign for Responsible Health Reform, and hired a Little Rock Republican strategist to run it. The strategist, Bill Vickery, told me that his activities were "backed solely" by the Chamber.

Donohue's pitch to the assembled businessmen that day evidently worked. From where I was standing in the banquet hall, the checkbooks and fountain pens seemed to be emerging from jacket-lining pockets almost of their own volition.

In other words, a large part of what the Chamber sells is political cover. For multibillion-dollar insurers, drug makers, and medical device manufacturers who are too smart and image conscious to make public attacks of their own, the Chamber of Commerce is a friend who will do the dirty work. "I want to give them all the deniability they need," says Donohue. That deniability is evidently worth a lot. According to a January article in the *National Journal*, six insurers alone—Aetna, Cigna, Humana, Kaiser Foundation Health Plans, UnitedHealth Group, and Wellpoint—pumped up to $20 million into the Chamber last year.

Oddly, while Donohue casts himself as the voice of business, he has never worked for a corporation or any kind of for-profit concern—only for trade associations, nonprofits, and the federal government. The son of a production manager at the American Can Company, he was

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born in Brooklyn and raised on Long Island. After high school, he attended St. John's and Adelphi universities, eventually earning an MBA. Early jobs included a stint as a fund-raiser for the Boy Scouts of America and, later, an aide to legendary disabled-persons rights activist Henry Viscardi, founder of the National Center for Disability Services. In a 1998 interview with *Newsday*, Viscardi recounted how Donohue made his ambition clear from the start. "I sat him down across the desk from me and asked what job he wanted," said Viscardi. "He said, 'I want your job.' That's Tom Donohue for you."

In 1969, Donohue took a job at the U.S. Postal Service, where he stayed for seven years, working his way up the management ranks. Donohue's first stint with the Chamber of Commerce began in 1976, when he was hired to the Chamber's development department by the organization's new president, Richard Lesher. The job involved the recruitment and cultivation of members and supporters, but Donohue soon took on a large variety of other projects as well. After Ronald Reagan entered the White House in 1981, Donohue made sure that the Chamber actively supported the new president's agenda. "Donohue was a guy who was there—you could feel him. He got the members to get very aggressively behind the president," says Wayne Valis, a special assistant to Reagan.

Donohue is a quintessential creature of Washington. Like the head of any bureaucracy or agency, he measures his success far less by results than by the size of his budget. The funds don't need to lead to accomplishments; they are the accomplishments.

Donohue left the Chamber to take over the American Trucking Associations in 1984, quickly turning what was a moribund also-ran into a Washington powerhouse. "Prior to Donohue coming aboard I knew every time I went to work we'd be just kicked in the chops," remembers Lana Batts, an ATA lobbyist. "When Tom came in, I was not going to be kicked. I'd be the kicker." Donohue was known for sparing no expense to curry favor with members and impress lawmakers. "Tom's biggest problem was that he ran out of buildings to name after member companies," says Tim Lynch, another lobbyist who worked for Donohue at ATA. The funds, says Lynch, poured in. "He essentially scared the bejesus out of people that if they didn't contribute more money, bad things would happen to their businesses in Washington."

Donohue's effectiveness at the ATA did not go unnoticed, and, in 1997, he was recruited back to the U.S. Chamber of Commerce—this time to be its president. Characteristically, he kept his eye on the money. Recounts John Schulz, the journalist, "He calls me to his office, which he almost never did, and sits me down and says, 'I'm going to ask you a favor and I don't want you to fuck this up. You're going to write that I'm turning down the Chamber for certain reasons. But that's not what I'm really doing. I'm in negotiations and want to get a better deal out of them. I'm going to reject them publicly and then get more money out of them.'" (The Chamber denies the conversation took place and says that compensation "was never an issue in any of [Donohue's] negotiations with the Chamber search committee.")

When Donohue took over the U.S. Chamber of Commerce, the organization had fallen into dangerous disfavor with the Republican Party, with which it has always had a close, if complicated, relationship. It was ushered into existence by President Taft who, seeking out a counterweight to the labor movement, called in 1911 for a "central organization in touch with associations and chambers of commerce throughout the country." Four months later, on April 12, 1912 (a year prior to the founding of the Federal Reserve), the Chamber of Commerce of the United States was founded.

The Chamber naturally leaned Republican, but it maintained mostly amiable relations with both parties. It was a close ally of Herbert Hoover, but it was also helpful to FDR's National Recovery Administration. It opposed Richard Nixon's health care proposals but also lobbied him to open trade with Moscow. It was instrumental in mobilizing support for tax cuts under Ronald Reagan and then George W. Bush, but it also helped to press for NAFTA under Bill Clinton, who in 1999 urged Donohue to travel to Havana to meet with Fidel Castro to pitch him on a chain of Chamber-backed Cuban Internet cafés. (The idea didn't pan out, but Donohue remains a vocal advocate of ending the Cuban trade embargo.) Recently, the Chamber has also come out vocally against new laws targeting immigrants in Arizona, and has chided Republican lawmakers for not supporting subsidies for alternative energy.

Under Richard Lesher, who ran the organization from 1975 to 1997, the Chamber's emphasis was primarily on influencing policy, and many of its ideas were broadcast via BizNet, its cable network. Lesher was, by all accounts, a good deal more ideological than Donohue, but also less of a political gamesman. It was this combination of traits that led Lesher to his bravest, but unluckiest, political decision: to cooperate with the Clinton White House on health care reform. Chamber members had been telling Lesher for years that their health care costs were out of control, and many supported a national policy of some kind. "I told the Republicans, 'Look, guess what, there are some Chamber members who are Democrats,'" says Lesher. "'Think about that.' They'd roll their eyes when I said it,

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but the fact was we had a lot of conservative Democratic members who wanted to see health care get resolved."

But the Clinton bill came a cropper, and the Republican minority pounced. John Boehner (now House minority leader) made his name on Capitol Hill spearheading a grassroots campaign to persuade businesses to abandon the Chamber. Hundreds did. The GOP took Congress the next year. "The Republicans made them walk the plank for a long time," says John Motley, who was a lobbyist at the National Federation of Independent Businesses, one of the Chamber's main rivals. It was this turn of events that led to the departure of Lesher and the hiring of Donohue to replace him.

Donohue had paid close attention to the debacle. When he returned in 1997, he immediately took steps to win the Chamber back into the GOP fold, supporting Republican initiatives and opposing Democratic ones. That practice has continued. Donohue's chief lobbyist, Bruce Josten, can often be seen at press conferences with Boehner when the Republican leadership comes out opposing one or another bill. (The stimulus package, which promised to pump a lot of money into businesses that are members of the Chamber, was one notable exception: the Chamber supported it, and the Republicans did not.) Donohue's opposition to any national health care plan under Obama was all but a given.

Donohue quickly closed down BizNet and shifted the Chamber toward brute-force lobbying. "Donohue brought in generalist lobbyists who knew about the politics but not the substance of the issues," says Willard Workman, a Chamber vice president from 1988 to 2004. "They couldn't go to the Hill and talk about an export-control regime, because they couldn't spell 'regime.'"

Above all, Donohue sought out fund-raising opportunities. "Donohue was much more hands-on than Lesher in terms of pursuing issues he thought were important—important to making money," a former Chamber lobbyist told me. Inside the Chamber, this strategy was known colloquially as "views for dues." According to the former lobbyist, "a large company before [Donohue] arrived would be paying maybe ten to twenty thousand, and overnight would be paying a million dollars. The message was to go after these major companies and get money from as many different funding sources as we could. In return they got greater influence and we did more of their bidding, if you will, on the Hill."

A little bit of calculating also revealed to Donohue that the best money was in the behemoths. "Donohue told the membership department to shift away from smaller companies to larger ones who could pay larger dues and get more involved. Member numbers were reduced, but revenue increased," says Hank Kopcial, who was head of membership services for Fortune 1000 companies when he left the Chamber in 2000.

If the Chamber had an ideology under Donohue, it was opportunism. "I don't know whether [Donohue] is a Democrat, Republican, or independent," says Workman. "And I worked with him for seven years." Workman notes that Donohue has no qualms about receiving federal funds for the Chamber's Center for International Private Enterprise. "He liked taking money from the federal government as much as from anyone else," Workman recalls. "He said, 'It's all green.'"

Whatever his personal political beliefs may be, Donohue does like to assail the traditional right-wing golems—particularly unions, trial lawyers, environmentalists and regulators. (Ironically enough, though, the Chamber's law firm, the National Chamber Litigation Center, involves itself in lawsuits against the federal government hundreds of times a year.) Rare indeed is the business regulation that the Chamber hasn't denounced. A former SEC commissioner—a Republican, appointed by a Republican president—told me Donohue "was against just about everything we were trying to do." Charles Jeffress, who was head of OSHA from 1997 to 2001, noticed a link between his work and the Chamber's budget. "Everything we did that was regulatory in nature was a way for them to raise money from their members to fight government regulation," he says.

While the Chamber has a legitimate claim to representing small business, it is also beholden to a cadre of multinationals whose interests are often inimical to those of small business. In 2008, a third of the Chamber's revenues came from just nineteen large companies.

When I asked Donohue why, for instance, the financial sector shouldn't be more closely regulated in light of the recent meltdown, he shot back, "Would they have caught Madoff? Would they have caught some guy at Boeing or Caterpillar or anywhere else that was a crook? They wouldn't have."

He mused on, "There is no place in our society where there is not warts. The media? Wow. The Chamber business? The lobbying business? The business business? The church? The Boy Scouts? We got jerks every place."

If Donohue has an aversion to stricter rules from Washington, it may be due in part to his own reputation for an easygoing approach to spending. According to a former Chamber employee, Donohue, when he was working under Lesher in the 1970s and early '80s, was repeatedly rebuked for

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making use of chauffeured cars, and in at least one instance hiring a private plane for a business trip. "He always needed perks," Lesher told me.

When Donohue left the American Trucking Associations in 1997, his successor, Walter McCormick, publicly accused Donohue of leaving the ATA in a financial mess, as the *National Journal* reported in 1999. McCormick even hired a Washington litigator specializing in white-collar crime to investigate the ATA's finances under Donohue, although no lawsuit resulted. The Chamber claims that the investigators concluded ATA "was one of the best run trade associations" and its chief financial officer received an apology from the association's board. But an ATA employee brought on by McCormick with intimate knowledge of the organization's finances at the time offered a different view. "There was a whole bunch of organizational units which were odd," says the employee. "All of those units were separate entities, separately incorporated. Money was moving around from one to the other to the other." Adds journalist John Schulz: "He said to me once, 'It's just sort of one big pot and how we divide it up is immaterial.'"

Last fall, the Chamber made news with what was effectively a rejection of climate science. Several major companies, including Apple Inc., dropped their membership in the organization—an exodus that provided a welcome public relations boost for the White House.

The company narrative was that Donohue was brought in to recapitalize the Chamber. But as fast as the money came in under Donohue, it seemed to go out even faster. According to Mohammed Babah, who was director of the Chamber's finance department until 2000, the Chamber held significant savings when Donohue took over in 1997 (a fact corroborated by Richard Lesher). Within two years, however, Donohue had spent the sum in its entirety, claims Babah, much of it going to salary increases for his inner circle, his travel expenses, and his lavish parties, thrown in rented spaces such as Union Station and the Air and Space Museum. "By the time I left I was scared. He was just spending and spending," Babah says. The Chamber insists that in fact the organization's reserve account was in negative territory when Donohue started and that Donohue built up the reserves.

By 2001, the Chamber was low enough on cash that it took out a $30 million line of credit on its building on H Street, a lithic beaux arts building situated off Lafayette Park within shouting distance of—and not appreciably smaller than—the White House. (The Chamber claims the line of credit was taken out because the cash balances existing when Donohue came to the Chamber had been pledged to an IT vendor, and that the line is still used for capital improvements.) For extra income the Chamber now rents its roof to Fox News for the network's White House remotes. In 2008, the last year for which records are available, the Chamber posted operating losses of over $2.5 million and a net asset loss of over $29 million, according to its IRS filings. Meanwhile, Donohue's salary, the lion's share of it a revenue-based bonus, has more than tripled since he started. In the estimation of one former Chamber staffer who's kept close track of its finances, "If Donohue's plane goes down or he gets sick, the bubble's going to pop. It's kind of like the U.S. government: there's no money in the bank."

Still, it's not Donohue's spending that poses the greatest danger to his leadership. It's that large parts of the Chamber's base (Donohue likes to claim three million members, but the "U.S. Chamber Web Effort to Set the Record Straight Amid Orchestrated Smear Campaign" page on its Web site puts the total at 300,000) have come to find themselves at odds with the organization's aims and methods. While I talked to many local chamber heads who said they rely on the Chamber's resources, I also spoke to many who are coming to resent Donohue. "Their stances have occasionally alienated local businesses," says Tim Sink, president of the Greater Concord Chamber of Commerce in New Hampshire. In Sink's region, the Chamber ran health care attack ads targeting Congressman Paul Hodes, a popular legislator with bipartisan support who's now running for Senate. "It put the local chambers in an awkward situation, I can tell you that."

A particularly awkward instance of this took place in 2004, when Donohue publicly exhorted Chamber companies to stop doing business in Mississippi, alleging that the state's courts had become too friendly to lawsuits against businesses. This came as a surprise to most of Mississippi's businesses and local chambers of commerce, few if any of whom had been notified of Donohue's exhortation in advance. That same year, the Chamber's Institute for Legal Reform became involved in an attorney general race in Washington State, waging a campaign via a front group called the Voters Education Committee. The Chamber's interventions met with such broad public disfavor that Steve Leahy, president of the Greater Seattle Chamber of Commerce at the time, had to send out 10,000 e-mails distancing his organization from the U.S. Chamber. "We had a lot of cleaning up we had to do on their behalf," Leahy told me. Even the institute's director from 1999 to 2002, James Wootton, whom Donohue appointed, regretted at least one attack ad campaign he waged against an Ohio judge, one that resulted

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in a suit against the Chamber. "I came to believe that we probably shouldn't have run those ads," Wootton told me.

Other chamber heads have taken similar steps to separate themselves from the national Chamber. "I now have a standard e-mail saying we're not a chapter of the U.S. Chamber that I have to send out a couple of times a week," says Timothy Hulbert, president of the Charlottesville Regional Chamber of Commerce. Stan Kosciuszko, president of the Butler County, Pennsylvania, Chamber of Commerce, which is no longer a member of the Chamber, said, "They've abandoned the interests of smaller chambers like mine for their larger corporate members."

But corporate members, including some of the larger ones, have been alienated too. The withdrawal of Apple from the Chamber's membership roster was the result of a particularly clumsy campaign. It began last summer, when a senior vice president of the Chamber wrote a petition to the EPA calling for a public hearing on the science of climate change in order to present a "credible weighing" of the evidence. The author of the petition, William Kovacs, a vice president of the Chamber, told the *Los Angeles Times* that it "would be the science of climate change on trial" and referred it as "the Scopes monkey trial of the 21st century." Not only did Apple drop its membership in response; so did the utilities Exelon, Pacific Gas and Electric, and PNM Resources. Among those who stayed in the fold, several companies, such as Nike and Johnson & Johnson, wrote stern letters of rebuke to Donohue. Donohue upbraided Kovacs but has done little else to address the concerns of the angered companies. "We may have gotten a phone call," said Brian Herzog, director of government affairs for PG&E. "Within the universe of Chamber members some are more equal than others."

Donohue's tactics can also raise hackles in the home office. "I used to get strong complaints and resentment from local officials and politicians. They'd say, 'You have no business here, you don't know what you're doing,'" a former Chamber lobbyist said. "But the complaints were rebuffed. The real test was whether we were making money off the effort, and we were."

Donohue and his senior colleagues downplay the internal disagreements. "You're never going to have one hundred percent unanimity," Bruce Josten, the Chamber's chief lobbyist, told me. "Never. There is inherent tension. There is tension between the oil companies and the gas companies. There is tension between the retailers and the wholesalers. There is tension between what used to be investment banks—we don't have those anymore—and retail banks. I mean, come on. I laugh every day when someone calls and asks what does the business community think."

And Donohue is unconcerned about complaints of alleged favoritism toward large corporations. "What we try to do is build an unholy alliance between big guys and little guys," he said. "Let's take a newspaper. Where do they get their money? Who put the ads in? It wasn't Mary Little Good Shoes, it was Macy's." He added, "You can no longer run a huge national organization on the backs of small companies as they did many years ago."

What becomes clear from observing Donohue's record is that, for all his opposition to federal oversight, he is a quintessential creature of Washington. Like the head of any bureaucracy or agency, he measures his success far less by results than by the size of his budget. That's why the Chamber's agenda hews so closely to that of its largest contributors. It's also why, even in front of dues payers such as Birmingham business leaders, Donohue is happy to trumpet how much money the Chamber is taking from them. Those funds don't need to lead to accomplishments; they *are* the accomplishments.

Toward the end of our conversation in Birmingham, Donohue began to talk about the challenges of leading an organization. "The CEO in a major company now, if he lasts five years, he's a hero," Donohue said. It was clear that he was in part talking about himself. But Donohue has already lasted twelve years as Chamber president, and at the beginning of his tenure the board amended the bylaws to extend the mandatory retirement age past sixty-five. In 2009, he traveled 166 days of the year, coaxing open checkbooks, visiting twenty-seven states, and giving seventy-five speeches. All of this bodes well for his staying power. Still, "I am not powerful," he said at one point. "The institution is powerful. If I walked out of the Chamber tomorrow, wouldn't anybody return my phone calls except for a couple of my friends." Given the anti-corporate rhetoric among Republicans, and the backlash against him in other quarters, this is a contingency he should consider. But for the moment Donohue is still the undisputed master of getting corporate giants to show him the money. And in a Washington that runs on money, that show must go on. WM

Some local chambers have distanced themselves from the national organization. "I now have a standard e-mail saying we're not a chapter of the U.S. Chamber that I have to send out a couple of times a week," says the president of the Charlottesville Chamber.

James Verini is a journalist in New York. You can read his work at www.jamesverini.com.

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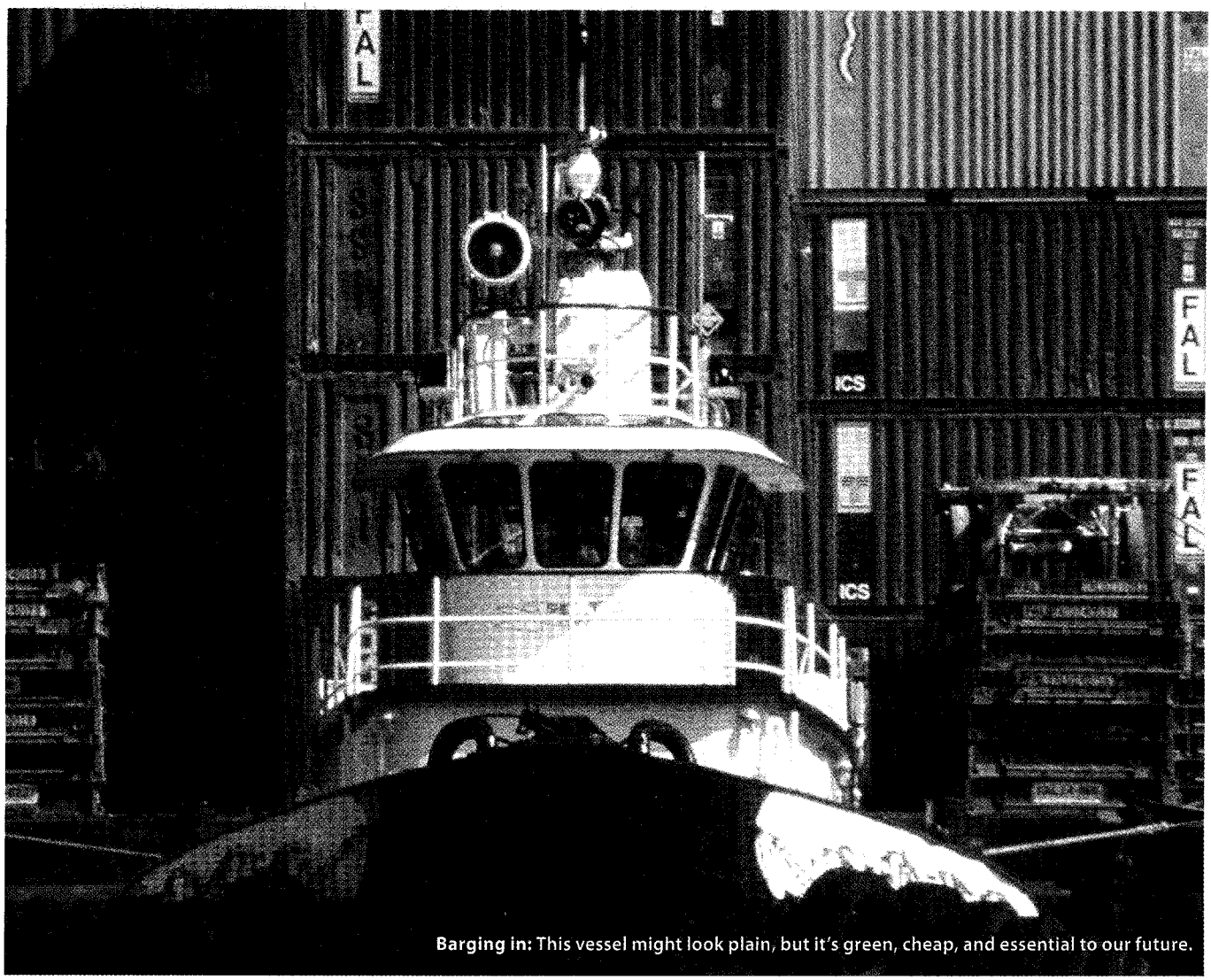

Barging in: This vessel might look plain, but it's green, cheap, and essential to our future.

Walter Hodges

The Shipping News

Start moving freight by water again, and we'll use less oil, emit less carbon, cut highway traffic—and perhaps even save St. Louis.

By Phillip Longman

Every four days, a 4,200-horsepower tugboat, having crossed the Gulf of Mexico from Brownsville, Texas, slips into the ship channel off Egmont Key at the mouth of Tampa Bay. The vessel pulls a single barge. On board are stacks of metal containers ranging in length from twenty to fifty-three feet. Few of the bathers along the beaches of nearby Fort De Soto Park are likely to take much notice of such a routine sight, much less associate it with a green-energy future. But there is a connection, and it will help protect places like the Gulf floor from the sort of drilling that now threatens the region with environmental catastrophe.

The tug and barge are operated by a privately held company called SeaBridge Freight. If you hire SeaBridge to move a container between northern Mexico and the southeastern United States, a truck will pick the container up, and a truck will deliver it to its final destination. But rather than use a truck to make the entire journey, the company will load your container onto a barge and ship it across the Gulf of Mexico. This water route saves 690 miles of driving, takes no longer than trucking door to door, and consumes much less oil.

According to SeaBridge's president and CEO, Henry P. "Hank" Hoffman, a SeaBridge barge on a recent sailing carried containers loaded with 420,000 metric tons of cargo of

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all descriptions, from chilled orange juice to automobiles and mechanical assemblies. Making the run from Brownsville to Tampa Bay consumed 9,000 gallons of diesel fuel. If trucks had made the move, Hoffman notes, they would have consumed more than 53,000 gallons of diesel fuel. Needless to say, such conservation does wonders for a reduction in oil use.

Waterways used to be the most important avenues of transport in the United States. Today, however, only 4.7 percent of our current freight (as measured in ton-miles) moves by water, most of it low-value, bulky materials such as grain and coal. Compare this to the European Union, in which 40 percent of all domestic freight (also measured in ton-miles) moves by coastal shipping and inland waterways.

Boosting that abysmal market share, as a handful of companies like SeaBridge are trying to do, would require no sacrifice from the average American, and it would provide dramatic economic and environmental benefits. Barges use just over a quarter as much diesel fuel as a semitruck in moving a ton of freight. If only 30 percent of the freight that currently goes by truck went by barge instead, it would result in a reduction in diesel fuel consumption of roughly 4.7 billion gallons. This is equivalent to conserving more than 6 percent of the total end-use energy consumed by U.S. households, including heating, cooling, and lighting. To put it another way, the energy savings would be equivalent to turning off every household appliance in the state of Texas. Yet no one would have to do so much as turn down the air conditioner, ride a bike, or even install a fluorescent bulb.

It gets better. A rebirth of domestic water transportation would roll back the nation's reliance on trucks, the fastest growing source of U.S. greenhouse gas emissions. That's in addition to many incidental benefits, from boosting the Navy's sealift capacity to improving rescue efforts for disasters like Hurricane Katrina and the earthquake in Haiti. Moreover, by getting containers off trucks and onto a marine highway, it promises to make driving safer and faster for the rest of us, while also significantly reducing the need for highway repairs and new road construction.

The case for using our waterways begins with plain geography. Writing in 1783, George Washington observed that he was increasingly taking "a more contemplative and extensive view of the vast inland navigation of these United States," and that he "could not but be struck with the immense diffusion and importance of it." The United States is unique among nations in being blessed not only with three extensive coastlines and abundant natural harbors but also with 25,000 miles of navigable lakes and inland waterways, thanks both to what Washington and his generation called "Providence" and to the investments made by subsequent generations of Americans in locks, levies, and other improvements.

Today, it is impossible to account for why most U.S. cities sprang up where they did without considering the role played by access to navigable waters. By 1825, completion of the Erie Canal connected New York harbor to the Great Lakes, and soon a great trade of cordwood, flour, and wheat flowing east, and manufactured goods and imported foods flowing west, enabled New York City to surpass Philadelphia as the nation's largest and richest city. By 1840, more than 500 steamboats plied the Ohio-Mississippi-Missouri river system, opening up the bustling new frontier of river towns described by Mark Twain. The most strategically located of these grew into great cities like St. Louis and Minneapolis-St. Paul. Of the country's top twenty-five metropolitan areas today, twenty-one are either on coastal harbors (such as New York, Boston, Los Angeles, and Seattle) or on broad inland waterways (such as Chicago, Pittsburgh, and Little Rock).

Well into the twentieth century, the U.S. still made extensive use of coastal and inland water shipping. As late as 1958, the Coastwise Steamship Company picked up rolls of newsprint from mills at Port Angeles and Camus, Washington, delivering them up and down the Pacific coast. Into the 1960s, trucks, trains, and automobiles moving between Michigan and Wisconsin still used an extensive fleet of ferries to cross Lake Michigan rather than take the long way through congested Chicago.

If only 30 percent of the freight that currently goes by truck went by barge instead, the energy savings would be equivalent to turning off every household appliance in the state of Texas.

For the past fifty years or so, however, the U.S. has barely made use of its natural competitive advantage in domestic water transportation. This might seem like the inevitable by-product of progress. In reality, though, the decline of domestic water transportation was neither inevitable nor progressive. By the late nineteenth century, railroad barons captured control of many canals and coastal shipping companies and did their best to put them out of business. While this contributed to the decline of the maritime industry, the most important factor was the long post–World War II era of cheap energy and a rapidly expanding, deeply subsidized interstate highway system. As the price of trucking became artificially low, new factories and warehouses came to be built without regard to water access, thereby accelerating the move away from fuel-efficient ships and barges. But now

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that extended period of secure, abundant oil and open, well-maintained interstates has ended. So, too, has our innocence of the environmental damage and threats to human health. This makes it high time to tackle the waste and inefficiency that pervades the 10 percent of U.S. gross domestic product involved in freight logistics.

Today, most high-value freight moves by truck. For trips of under 500 miles, this makes sense. Trucks are fast and convenient. But most of our trucks are traveling distances of thousands of miles. To take just one example, 58 percent of the large trucks moving through the junction of I-90 and I-290 near Buffalo, New York, are on trips of more than 500 miles. Together, these long-haul trucks are responsible, according to the Federal Highway Administration, for creating 367,000 hours of delay each year at this single choke point alone.

As soon as trucks are deployed for long hauls, the disadvantages pile up. For one thing, trucks are wasteful. If you're hauling a ton of freight by truck, a gallon of fuel will only move it 155 miles. Haul it by railroad, and a gallon will take it 413 miles. Haul it by towed barge, and a gallon will carry it a full 576 miles.

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Trucks are also by far the dirtiest form of ground transportation. A tugboat plying inland waters can typically move a ton of freight more than 51,000 miles before emitting one ton of greenhouse gas. A truck, by contrast, releases nearly three times as much greenhouse gas over the same distance. (In fact, trucks are the economy's fastest growing source of greenhouse gas emissions. While greenhouse gas emissions from cars rose only 3.3 percent between 1990 and 2006, the amount spewing from medium and heavy trucks, which have increased in number and sit longer in traffic, increased 77 percent.) That's not even factoring in other emissions, such as cancer-causing nitrous oxides found in diesel exhaust, most of which comes from trucks. According to the Environmental Protection Agency, this pollution contributes to the premature death of 21,000 Americans a year.

When truck-related deaths don't come from pollution, they come from crashes. For every ton of freight they haul one mile, trucks have a fatality rate that is six times that of railroads and 155 times that of inland barges. Some 5,000 Americans die each year in collisions involving trucks.

Finally, trucks cause serious damage to the nation's highways, for which the rest of us pay. According to the latest available estimate from the Federal Highway Administration, the pavement damage caused by a forty-ton semi-truck barreling down an urban interstate came to forty-one cents per mile in 2000, while the tolls and taxes its owner paid came to only nine cents per mile.

It's not just our interstates that suffer. State roads like New Jersey's Route 31 and Interstate 81 through the once tranquil Shenandoah Valley are inundated with truckers desperate to avoid I-95. Despite what may be many years of moribund economic growth in the wake of the Great Recession, freight tonnage on I-95 is projected to double over the next thirty years. Even the biggest fan of trucking knows this isn't sustainable.

So what do we do about our freight logjams? Adding more and more new lanes is, of course, one way to alleviate the problem. But routes such as I-95 are built on top of some of the country's most densely developed real estate. Just to widen I-95 to six lanes between New Haven and the Rhode Island border would cost $1 billion, while also causing additional construction-related delays for years.

Railroads are also an important option. [See "Back on Tracks," *Washington Monthly*, January/February 2009.] But, after years of downsizing, the nation's rail system today lacks the capacity to handle much more traffic than it already does, particularly if that traffic is going to move fast enough to be time competitive with trucks. Moreover, along many corridors, moving freight by rail competes with another important objective: restoring and improving America's high-speed passenger network. (The main reason why Amtrak is so frequently late is delay caused by freight trains.)

The single most effective option that remains, then, is our vast network of waterways—if we just care to use them. Not only would they save money and fuel; they would even, in some cases, save time. For example, a single truck driver moving a container from Boston to Orlando can make the trip legally in no less than fifty-four hours, given speed limits and mandatory thirteen-hour rest periods each day. By contrast, in just thirty-three hours, a container can be taken by truck from Boston to the port of New London, then placed onto a high-speed coastal freighter and shipped to the port of Charleston, and finally trucked from Charleston to Orlando, according to Stephen P. Flott, founder of Sea-Bridge, who has testified before Congress in support of the idea and may yet bring it to fruition.

To make this sort of thing happen is easier than it might sound. At its peak, truck traffic on I-95 was 32,000 trailers a day. With only thirty-three ships put into service, each ca-

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pable of carrying 300 fifty-three-foot containers, the number of trailers on I-95 could be reduced by a third. The price tag wouldn't be prohibitive, either. At $50 million a ship, it would cost just $3.3 billion.

Better yet, because crafts plying coastal and inland waters are shallow draft, they could operate out of minor, neglected harbors like New London or New Bedford, Massachusetts. With today's so-called "Roll-on/Roll-off" ships (RoRos), cranes aren't even necessary. Drivers just roll their trucks on board, and, if they want to, travel along with their rig, thereby satisfying their mandatory rest requirements as they float past such major choke points as the Boston-to-Washington megalopolis before taking to the road again to reach their final destination.

Nevertheless, despite all the inherent advantages of a marine highway system, market forces still aren't causing it to spring into existence. There are a few reasons for this.

One is that, in the midst of global recession, the current cost of energy is slightly too low to create the necessary critical mass for an upsurge in shipping. According to a study prepared for the U.S. Maritime Administration, even a minimal rise in energy prices would dramatically increase the cost of trucking while only marginally affecting the cost of water transport. For example, when crude oil costs $55 per barrel, the cost of moving a forty-foot container one mile by truck is about $1.75. But if crude oil goes up to $91 a barrel, the trucking cost jumps to $2.28 per mile. And if oil reaches $157 a barrel, the trucking cost jumps up to $3.24. By comparison, even if oil is at $157 a barrel, the cost of moving that same container one mile by barge is only twenty-eight cents, less than a tenth of the trucking cost.

One entrepreneur who is very aware of such calculations is Stephen J. Pepper, founder of Humboldt Maritime Logistics. Pepper is trying to start a service that would allow shippers to move containers by barge from the port of Oakland up and down the Pacific coast. At current fuel prices, he says, such a service is cost competitive with trucks, but only barely so. With even a modest uptick in fuel prices, though, the numbers would shift dramatically in favor of barge over truck.

Another reason that the maritime highway isn't farther along is that ill-considered public policies are working against it. Some of the wrongheaded ideas are obvious, such as tax rates on trucks that are too low to cover the cost of the damage they do to roads. Others are more obscure, but equally significant.

One important case in point is the so-called "harbor maintenance tax." Originally pushed by the Reagan administration, it requires that shippers pay a tax on their cargo value each time their freight passes through a U.S. harbor. The thought was that the money raised by this tax would go toward the cost of dredging and otherwise maintaining deep channel harbors. Instead, most of it has gone to finance the government's overall budget deficits. Worse still is the mechanism for how the tax is collected. Suppose that Federal Express wanted to save on fuel costs by using a truck ferry to move its container traffic between Windsor, Ontario, and Detroit, Michigan. Because of the harbor tax, the company would have to determine the value of each parcel in each container and collect from its owner a harbor tax of $1.25 per $1,000 of cargo value. This would not only be an administrative nightmare; it would also add up to serious money. If the total value of the cargo in a container came to $500,000, the total harbor tax due would be $625. By contrast, if the container traveled by truck over the more than eighty-one-year-old, highly congested Ambassador Bridge between Windsor and Detroit, no tax would be due, and the toll would be only $3.25 per axle.

Marine highway advocates also complain bitterly about a piece of legislation called the Jones Act. Originally passed in the 1920s, the Jones Act requires all ships used in domestic service to be built by domestic shipyards. The rationale for retaining this policy has been that the U.S. needs a shipbuilding industry to support the needs of the U.S. Navy—a consideration that has merit. But building a commercial ship in the U.S. today typically costs twice as much as building it in South Korea. This isn't because of the difference in labor costs; it's because South Korea builds so many ships for world markets that it can use highly standardized, assembly- line processes that achieve vast economies of scale, much as the U.S. did in building the famous "Liberty Ships" of World War II.

The "harbor maintenance tax," originally pushed by the Reagan administration, requires that shippers pay a tax on their cargo value each time they pass through a U.S. harbor. It's turned out to be an administrative nightmare that has helped kill America's domestic shipping industry.

But here a win-win solution exists—one that doesn't disturb the Jones Act but still allows water transportation a fair shot at the competition. The Navy, it turns out, is very interested in seeing a surge in shipbuilding, and it may even be willing to help pay for it. During the 1980s and '90s, when America's merchant marine was fading, the

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Navy spent $6 billion acquiring ships it could use for transporting troops and supplies around the world. Today, many of these ships are nearing the end of their service life, and the Navy would like to have new RoRo ships suitable for off-loading tanks, trucks, and other vehicles in shallow, often undeveloped harbors.

The Navy could, of course, just put out bids to have its fleet of aging RoRos and other freighters replaced. But that would compete with the cost of modernizing its submarine fleet and other aging warships. How much better it would be, says Jonathan D. Kaskin, who directs the Navy's Strategic Mobility and Combat Logistics Division, if the United States once again had a robust merchant marine fleet plying domestic waters—a fleet whose ships could quickly be leased by the Navy if they were needed for emergency service?

"A commercial ship is fully capable of meeting our military [sealift] requirements except for minor enhancements," says Kaskin. Better yet, he notes, if the U.S. developed a marine highway system, the cost of shipbuilding overall would go down. "I see the marine highway as an option," Kaskin says, "and there may be resources that the Department of Defense could devote to it." Just as Eisenhower could not sell the country on the value of interstate highways without pointing to their military purpose, national security needs may be just what is needed to get the marine highway system moving.

As domestic water transport increased, factories and warehouses would spring up in places that offer easy access to navigable waters, whether in East St. Louis or in Cleveland's squandered waterfront property along Lake Erie.

In April 2010, Secretary of Transportation Ray LaHood announced his support for a "Marine Highway Initiative," stating that, "For too long, we've overlooked the economic and environmental benefits that our waterways and domestic seaports offer as a means of moving freight in this country." The funding available for this initiative, however, is a mere gesture—just $7 million in grants, plus $58 million in one-time stimulus money. Meanwhile, the president's budget for 2011 calls for $41 *billion* in highway spending. The Obama administration does not seem to get the full range of opportunity that domestic water transport offers for advancing the national interest across the board. So let's try to envision the virtuous cycles that would be set in motion by reviving our waterways.

One virtuous cycle would begin in 2015. That is when a project to widen the Panama Canal is scheduled to be completed. It will allow today's super-large oceangoing vessels to fit though the canal and travel directly between Asia and both the Gulf and Atlantic coasts of the United States. Today, containers traveling from Asia typically move through West Coast ports and are then trucked or carried by rail to inland destinations. But containers moving on mega-ships through the Panama Canal could be off-loaded in ports such as Houston or New Orleans, where, thanks to the Mississippi River system, they could be hauled to cities like St. Louis, Minneapolis, and Pittsburgh by low-cost, energy-efficient barge. Or they could travel to deepwater ports such as Newark and be trans-loaded onto smaller coastal ships serving destinations up and down the eastern seaboard.

In another virtuous cycle, barges would beget barges. That is to say, as the volume of coastal and inland water transport increased, so too would its time competitiveness with trucks. Today, once a week, a new service known as 64 Express moves containers up and down the James River between the port of Hampton Roads and Richmond, Virginia. Only those who can afford to wait currently use it. But many more companies would use the service if it ran more frequently. With containers from Asia flowing directly into Hampton Roads, that's exactly what would happen.

Meanwhile, today's diesel-powered tugboats and coastal ships could become even cleaner by converting to natural gas, as has already been done on a limited scale. Unlike trucks, ships don't require a vast fueling network, since they have the space to carry large tanks of natural gas on board. If trucks at the same time became relegated to mostly short-haul service, this would make it more practical for them to convert to natural gas as well.

And we can imagine a final virtuous cycle coming into play. As the economic and environmental case for domestic water transport increased, land-use patterns would change. More factories and warehouses would spring up in places that offer easy access to navigable waters, whether it was in East St. Louis's once thriving but long troubled real estate along the Mississippi River, or Cleveland's squandered waterfront property along Lake Erie, where today just about the only remaining economic activity occurs in a deeply subsidized sports stadium on the weekends. As banal as talk of barges and freighters might at first seem, the rebirth of domestic water transport promises a much stronger and sustainable America—one that uses, and lives in harmony with, the bounty of waterways that first made it great. WM

Phillip Longman is a senior research fellow at the New America Foundation and the author (with Ray Boshara) of *The Next Progressive Era: A Blueprint for Broad Prosperity.*

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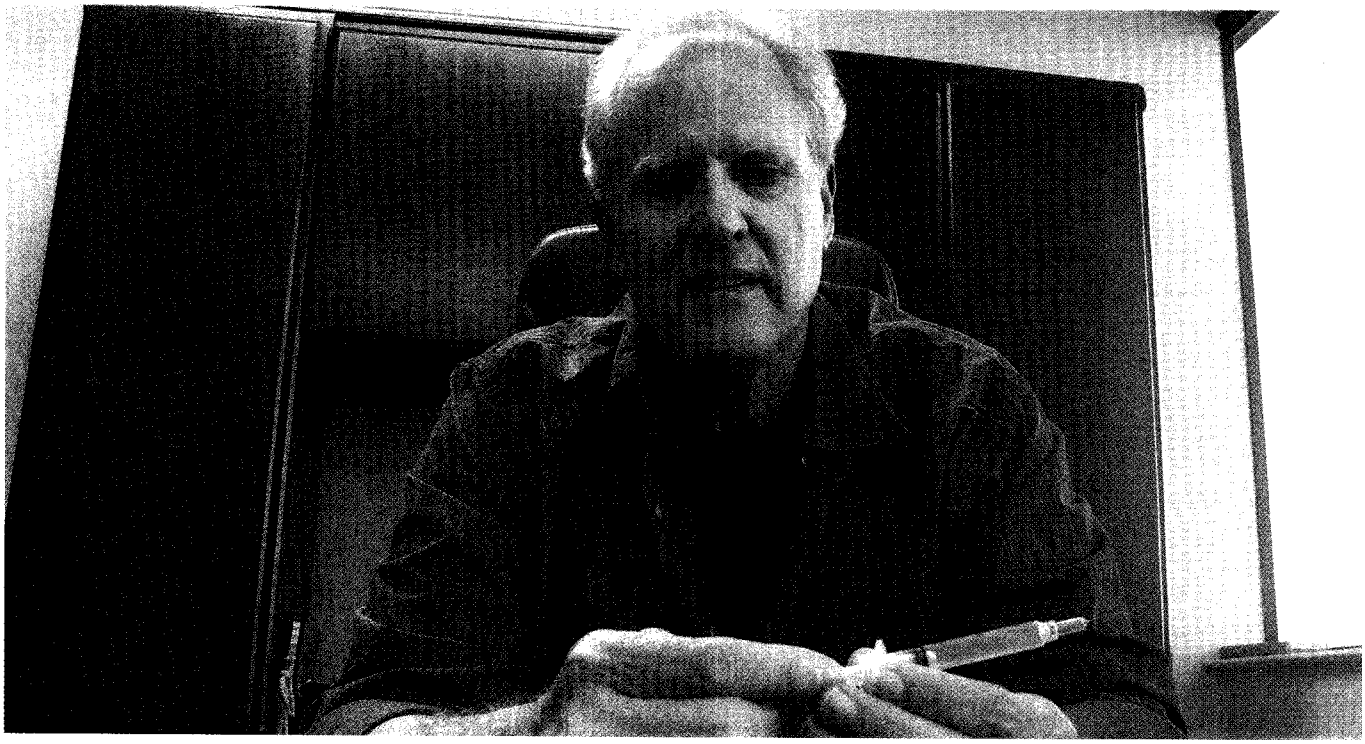

The long shot: Thomas Shaw has spent fifteen years struggling to break into the hospital market.

Retractable Technologies, Inc.

Dirty Medicine

How medical supply behemoths stick it to the little guy, making America's health care system more dangerous and expensive.

By Mariah Blake

When Thomas Shaw gets worked up, he twists in his chair and kneads his hand. Or he paces about in his tube socks grumbling, "They're trying to destroy us," and "The whole thing is a giant scam." And Shaw, the founder of a medical device maker called Retractable Technologies, spends a lot of time being agitated.

One of the topics that gets him most riled up these days is bloodstream infections. And with good reason—while most people rarely think about them, these are the most dangerous of the hospital-acquired bugs that afflict one in ten patients in the United States. Their spread has helped to make contact with our health care system the fifth leading cause of death in this country.

A few years ago, Shaw, an engineer by training, decided he wanted to do something to help solve this problem and quickly homed in on the mechanics of needle-less IV catheters. Rather than using needles to inject drugs into IV systems, most hospitals have moved to a new design, which involves screwing the threaded tip of a needle-less syringe into a specially designed port. The problem is that if the tip brushes against a nurse's scrubs, or a counter, or the railing of a hospital bed, it can pick up bacteria. And the rugged threaded surface makes it difficult to get rid of the germs once they're there. Often, the bacteria go straight into the patients' bloodstream—which explains why, according to some studies, the rate of bloodstream infections is three times higher with needle-less systems than with their needle-based counterparts.

After months of trial and error, Shaw hit on the idea of surrounding the tip of the syringe with six petal-like flanges, which could flare open to make way for the catheter port. Unlike some of the solutions floated by big medical device makers, such as coating the ports with silver, Shaw's innovation added only a few pennies to the cost of production. And it seemed to be remarkably effective: a 2007 clinical study funded by Shaw's company and conducted by the independent SGS Laboratories found the device prevented germs from being transferred to catheters nearly 100 percent of the time.

Given these facts, you might expect that hospitals would be lining up to buy Shaw's product. But that is not the case, even though his company is offering to match whatever price the hospitals are paying for their current, infection-prone IV catheter syringes. In fact, since the device hit the market two years ago, Retractable has sold fewer than 20,000 units, mostly to one New York hospital. Often, the company's sales team can't even get in

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the door to show their wares to purchasing agents. "The product does exactly what it is supposed to do," Shaw says. "But it has one fatal flaw. Right there at the bottom of the handle it says Retractable Technologies."

This is hardly the first time Shaw has found his path to market blocked. In fact, he has spent the last fifteen years watching his potentially game-changing inventions collect dust on warehouse shelves. And the same is true of countless other small medical suppliers. Their plight is just the most visible outgrowth of the tangled system hospitals use to purchase their supplies—a system built on a seemingly minor provision in Medicare law that few people even know about. It's a system that has stifled innovation and kept lifesaving medical devices off the market. And while it's supposed to curb prices, it may actually be driving up the cost of medical supplies, the second largest expenditure for our nation's hospitals and clinics and a major contributor to the ballooning cost of health care, which consumes nearly a fifth of our gross domestic product.

"Without a GPO contract, it doesn't matter how good your product is," says one small medical supplier. "Even if I could wave this wand over your body and cure you from cancer, chances are I couldn't sell it to hospitals."

Thomas Shaw is a lanky fifty-nine-year-old man with dark eyes and a shock of gray hair that gives him a bit of a mad scientist air. Growing up, he lived in Mexico and Arizona, where his father worked as a chemist (among other things, the elder Shaw invented the first nitrogen test for plants). Shaw describes his childhood home as a kind of frenetic laboratory where science and math problems were worked out on a chalkboard that hung over the dinner table.

After high school, Shaw went on to study engineering at the University of Arizona, and eventually launched his own engineering firm in a former bicycle-repair shop on a rundown strip in Lewisville, Texas. His core business was small-town building projects, like road repairs and structural inspections, but he also dabbled in medical devices. At one point, a friend's grandmother underwent gallbladder surgery and came out addled and confused. Believing a medication mix-up was to blame, Shaw invented an automated pill dispenser.

Then, one night in the late 1980s, Shaw saw a news program about a doctor in California who had been infected with HIV after being stuck with a contaminated needle. This got Shaw's attention. One of his oldest friends had recently been diagnosed with AIDS, and Shaw was all too aware of the ravages of the disease. "I thought, I can't do anything to save my friends," he recalls. "But maybe I could do something to save other people."

The next day, Shaw set to work trying to invent a safer syringe. He began buying pigs' feet from the local butcher and using them to simulate injections. He outfitted every room in his engineering firm with chalkboards so he could draw design ideas whenever they popped into his head. To make time for the syringe venture alongside his regular work, he started pulling ninety-five-hour weeks. And even when he was on vacation, he rarely stopped obsessing. "I remember being in South Padre Island with my wife and kids," Shaw recalls. "Everyone wanted to go out and play. I wouldn't go anywhere until I figured out what to do with the back corner of the syringe. I told my wife, 'I have to work on it all the time until I get it or I'm dead.'"

It took four years and more than 150 design permutations, but Shaw finally came up with a crude prototype and found a local physician to test it on him—an event Shaw's wife documented with a shaky handheld camcorder. In the video, the doctor holds up a saline-filled syringe about the size of a kielbasa sausage. Then he jabs the needle into Shaw's arm and pauses for a second before pushing in the plunger. First the saline empties, and then the needle snaps back into the barrel with a pop.

Shaw had just invented the first retractable syringe, a fact that drew the attention of public health officials. In 1993, the National Institutes of Health gave him a $600,000 grant to shrink it down to the size of an ordinary hypodermic and produce 50,000 of them for clinical trials. Shaw was now able to bring on a team of engineers and product designers, and turn a cinderblock bay adjoining the old bicycle shop into a clean room. By the mid-1990s, he had the final design in hand.

Around this time, Shaw launched Retractable Technologies and began searching for funds to build a factory in Little Elm, Texas. Eventually, he raised $42 million, much of it from doctors at Presbyterian Hospital in Dallas. "Everyone was eager to invest," recalls Lawrence Mills, who was then chief of thoracic surgery at the hospital and invested $95,000 in Shaw's company. "We all thought it was just a matter of time before it became the standard in the industry."

In 1996, Shaw returned to Presbyterian to conduct a final round of clinical trials. The nurses who took part gave his syringe uniformly high marks (though some complained in the follow-up survey that the packaging was hard to open and that the air bubbles were difficult to get out), and Presbyterian's top medical brass was clamoring to get it into the supply rooms. Edward Goodman, the hospital's director of infection control, wrote a letter to the purchasing department, saying Shaw's product was "essential to the safety and health of our employees, staff and patients." But Shaw soon learned that the enthusiasm of health care workers was not enough to gain him entrée; the hospital initially promised him a contract, only to back out three months later. Though he didn't realize it at the time, Shaw had just stumbled into the path of a juggernaut.

(continued on page 41)

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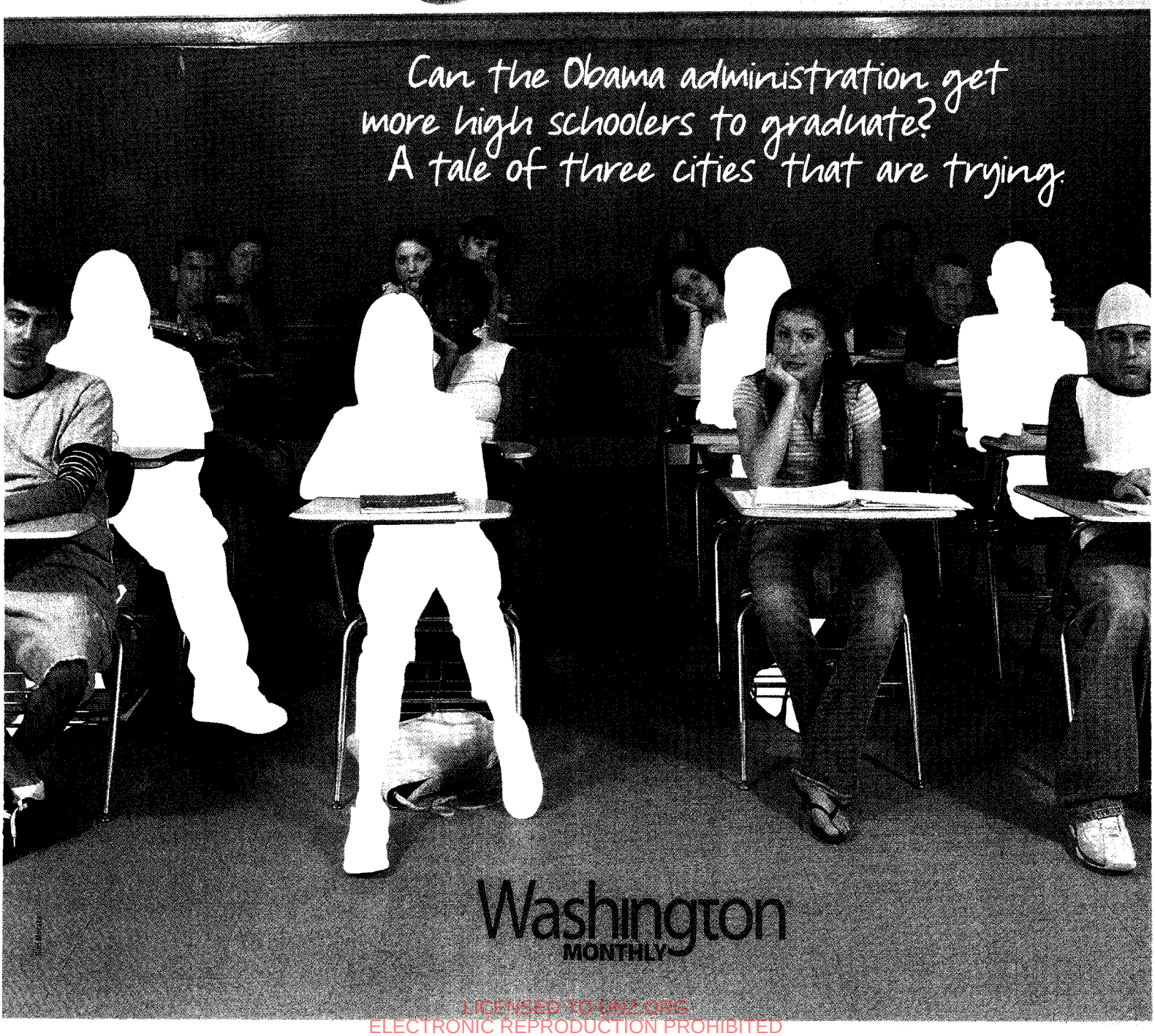
A SPECIAL REPORT

FIGHTING THE DROP-OUT CRISIS

Can the Obama administration get more high schoolers to graduate? A tale of three cities that are trying.



Washington MONTHLY

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INTRODUCTION

Can Obama reverse the dropout crisis?

By Richard Lee Colvin

In his first address to Congress in February 2009, when the nation teetered on the brink of economic collapse, President Obama declared that "dropping out of high school is no longer an option. It's not just quitting on yourself, it's quitting on your country—and this country needs and values the talents of every American." Since then, the administration has made a major commitment to increasing America's high school graduation rate, which was once the highest in the developed world and is now among the lowest. Leading researchers now agree that 25 to 30 percent of students who enroll in American high schools fail to graduate. In many of the country's largest urban school districts, such as Detroit, Cleveland, and Indianapolis, the dropout rate is as high as 60 percent, and rates are similarly high in many rural areas. A generation ago, high school dropouts could still join the military, or get work on assembly lines, and had a fair chance of finding their way in the world. President Obama does not exaggerate when he implies that today's America has little use for dropouts and cannot expect to flourish so long as their numbers remain so high.

The administration has proposed nearly $1 billion in its latest budget specifically for the dropout problem. And it has already put $7.4 billion on the table, including its famous Race to the Top grants, which states and districts can get only if they agree to overhaul their worst-performing high schools. These are the 2,000 or so high schools that Obama and Secretary of Education Arne Duncan refer to as "dropout factories"—schools that graduate fewer than 60 percent of their students and account for more than half the nation's dropouts.

This level of financial commitment to fixing America's underperforming high schools is unprecedented. The 1983 *Nation at Risk* report, which marked the start of the modern era of education reform, did not so much as mention the dropout problem even as it called for higher graduation requirements. Between 1988 and 1995, only eighty-nine school districts won federal grants for dropout prevention programs. The No Child Left Behind Act of 2002 applied mostly to grades three through eight. While it nominally required states to hold high schools accountable for dropout rates, it ended up allowing them to lowball the problem. Generally, the thought among educational reformers has been to concentrate on preschool and grade school education, and hope that success there would result in better student performance in high school.

Informing this approach was a not-unreasonable fear that by the time struggling students reached high school, there was little that could be done to turn them around. A 1999 report found that what few federally financed attempts had been made to improve teaching in high schools did not lower the dropout rate. A 2002 General Accounting Office report summed up twenty years of federal dropout prevention efforts by noting that the few that had been rigorously evaluated showed mixed results. Worse, even the occasional success stories were not replicated.

Which leaves a big question: Do we know enough today to make good use of a new massive federal commitment to lowering the dropout rate? One reason to think so is that there has been a data-driven revolution in our understanding of the problem.

During the 1970s and '80s and well into the '90s, educators and social scientists attempted, without a lot of success, to discover the most important predictors of whether a student would drop out or not. Mostly they wound up using known risk factors—

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such as extreme poverty, poor grades, and contact with the juvenile justice and foster care systems—to predict who would drop out and try, through mentoring and other services, to keep them from doing so. Students who fit those categories were *on average* more likely to drop out. But averages can be misleading, especially when there is great diversity around the mean.

In recent years, researchers have gained access to "longitudinal" data—that is, information on the experiences of individual students as they progress over time. This research has yielded far more precise indicators of which students are likely not to graduate. For example, while many juvenile delinquents drop out, many do not. Yet if any child has a poor attendance record in ninth grade or fails to pass ninth-grade English or math, the chances are overwhelming that he or she won't graduate, regardless of background or other experience. The research also showed much more variety among dropouts than experts imagined. Some have earned only a fraction of the credits they would need to graduate, while others drop out only a few credits shy of a diploma, largely because of outside events—a run-in with the law, say, or a family emergency requiring them to stay home with siblings. Such granular information should make it much easier to craft the right interventions for the right kids.

Yet there is still a big difference between abstract knowledge and effective practice. What do we really know about what has worked, and what has not, in schools? To answer this question, the *Washington Monthly* sent reporters to three large urban school districts—New York City, Philadelphia, and Portland, Oregon—that have worked strenuously in recent years to apply the new research to improve their chronically low graduation rates. The reports that have come back from the field give reason for qualified optimism. Yes, it is possible to move the needle on the dropout problem, but good intentions and effort are no guarantee of success.

All three cities have taken remarkably similar approaches to the problem. Those approaches fall into two general categories: fixing existing low-performing high schools, often by breaking them into smaller schools; and creating alternative schools and programs—"multiple pathways," in the jargon of the trade—that cater to the diverse needs of those kids who are on the verge of dropping out or already have done so. All three cities also have very active civil sectors—business groups, nonprofits, local and national foundations—which are playing central roles in the reform dramas, from spurring school officials into action to designing and running alternative programs.

And yet despite these similarities, the three cities have had quite different outcomes. New York has achieved the most impressive progress in lowering its dropout rate. Philadelphia has made real if less dramatic headway. Portland, on the other hand, has seen zero measurable improvement. These results are almost the opposite of what you'd expect. After all, New York and Philadelphia are much bigger districts with much higher concentrations of poverty.

It is possible to move the needle on the dropout problem, but good intentions and effort are no guarantee of success.

Policy choices can't really explain the differences, since all three districts tried similar approaches. Rather, the explanation seems to lie in leadership and attitude. The New York schools have had one very capable and driven chancellor, Joel Klein, running them for eight years, whereas Philly and Portland have each gone through several superintendents, each bringing his or her own vision. And in New York, Klein has fostered an atmosphere of high expectations and accountability: every student is presumed capable of getting a diploma, and schools are measured and rewarded based on that assumption. In Portland, the opposite has been true. Dropouts and at-risk kids, especially those in the city's alternative schools, are coaxed into showing up in class, not challenged to actually graduate, and almost no adults are held accountable for results. (On the expectations-and-accountability front, Philly is closer to the New York model, and so is its level of success.)

What do these three case studies tell us about whether the Obama administration's efforts are likely to work? For one thing, they suggest that success, if it comes, will not be uniform, but will vary according to the quality of local leaders and the engagement of local civic actors. For another, it confirms that school districts can get the job done and ought to be held responsible for doing so. "The problem is too big and complex for individual schools to handle on their own," notes education consultant Chris Sturgis. They also suggest that the administration is on the right track with the policies it's pushing, but not totally so. The vast majority of the funds the administration is making available are for turning around existing, low-performing high schools (by bringing in new leaders, new teachers, or turning them into charter schools). This is the right target, and one Washington has long neglected. But our reporting, as well as much research literature, shows that turning around chronically low-performing schools is awfully hard to pull off and will likely fail more often than it succeeds.

By contrast, the administration is putting relatively little money into the creation of alternative schools specifically for students who have dropped out or are about to. This doesn't make much sense. Yes, alternative schools can easily become dumping grounds for the hard-to-educate, as has happened in Portland. But when good systems of accountability are built in, as New York has done, alternative schools can work well and are a crucial tool in getting graduation rates up.

There are other risks to the administration's approach. On the one hand it is pushing policies to lower the dropout rate. On the other it is pressing Congress and the states to increase academic standards. Many experts warn that these

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are conflicting goals—that the latter will make the former harder to accomplish, and the former will create further incentives to undermine the latter. That may be true. But it's worth noting that New York hasn't succumbed to that contradiction: it has increased graduation rates *and* the percentage of its students who pass its high-standards Regents exam.

Any effort to lower the dropout rate must also work against the countervailing effects of growing inequality, fallout of the Great Recession, and a demographic tide that leaves more students struggling with English as a second language. Indeed, many experts think that schools and teachers cannot by themselves provide the level of social support needed to make the kind of headway we'd want against the dropout problem. Robert Balfanz, a leading scholar on dropouts and codirector of the Everyone Graduates Center at Johns Hopkins University, has put together a consortium of schools in which members of City Year, the national service program for young adults, are assigned to work one-on-one with at-risk kids to help with their studies and keep them in school. Another group, Communities in Schools, assigns social workers as case managers for students with more acute needs.

Yet even without such extra levels of social support, our three case studies suggest that real progress can be made. That finding should be inspiring, especially considering how important such progress can be to the long-term strength of America's economy and society. One study estimates that if all the students who drop out over a decade were to graduate instead, they would earn an additional $3 trillion in wages. That amount of money would do a lot to make the economic recovery that is now shakily underway sustainable in the years to come. WM

Richard Lee Colvin, a longtime journalist, is director of the Hechinger Institute on Education and the Media, Teachers College, Columbia University, and editor of the *Hechinger Report*, an independent, foundation-supported news operation based at Teachers College. This coming year, the *Hechinger Report*, at www.hechingerreport.org, will provide ongoing coverage of the challenges of increasing the high school graduation rate.

NEW YORK CITY

Big gains in the Big Apple.

By Sarah Garland

Last fall, the New York City public schools granted Justin Skeete, a twenty-year-old dropout from a crime-ridden section of Coney Island, a third and last chance to graduate from high school. Once he turned twenty-one, he would be too old. His new school, Liberation Diploma Plus High School, was taking a risk: Justin arrived with a bad attitude. He cursed out teachers and fellow students. He didn't care about homework. His odds of finishing looked bleak, but Liberation, with a tiny student population of fewer than 200, was prepared for students like Justin.

One of several new last-chance high schools opened by the city in recent years, the school had a striking track record in graduating students that other schools had given up on. Justin's original high school was Lincoln, a traditional school in Coney Island with more than 2,500 students. Although he came in with high test scores on eighth-grade exams, after a few months at Lincoln he lost interest. He showed up every day, but slept through classes or wandered the halls. He failed ninth grade and returned for more of the same the next year. During his third year, he moved into an alternative school housed in the Lincoln building where he took evening classes. He earned five credits, but he didn't like the teachers. He started cutting and soon dropped out.

Justin was working two jobs, at McDonald's and Home Depot, when a cousin told him about Liberation. Justin was skeptical, but he liked the sound of the place. His cousin described the school as "just like a family"—the opposite of his former school.

After an intensive joint effort by counselors, teachers, and the school's principal, April Leong, to reach him, Justin settled in at Liberation. The teachers wrote lesson plans that incorporated the diverse cultures of their students and connected classwork to careers. The administrators balanced strict discipline with an open-door policy that allowed students from rough neighborhoods like Justin's to stay late at school and off the streets and away from potential trouble. Within a few months, Justin's grades had risen to As and Bs.

Leong says the school's philosophy is discovering "who the kid is, and what they need." Justin began meeting once a week with counselors from a nonprofit connected to the school. Soon, he was behaving better and, in June, he graduated. "Before I got here, I can't really say I tried," Justin says. "I felt like nobody cared."

Justin's turnaround is part of a bigger transformation in New York City, the largest school district in the nation. In 2009, the city pushed its four-year graduation rate to 63 percent, up from 47 percent in 2005, according to the state. By the city's calculations, which count GEDs as diplomas, the graduation rate rose from 51 percent in 2002 to 68 percent last year.

More students are also hanging on after four years: more than 65 percent of the students who remain for five or six years eventually graduate, according to state figures. White students are much more likely to graduate than blacks and Hispanics, but everyone is graduating at higher rates. Students are learning more as well. The percentage of graduates earning the more demanding state Regents diploma grew significantly.

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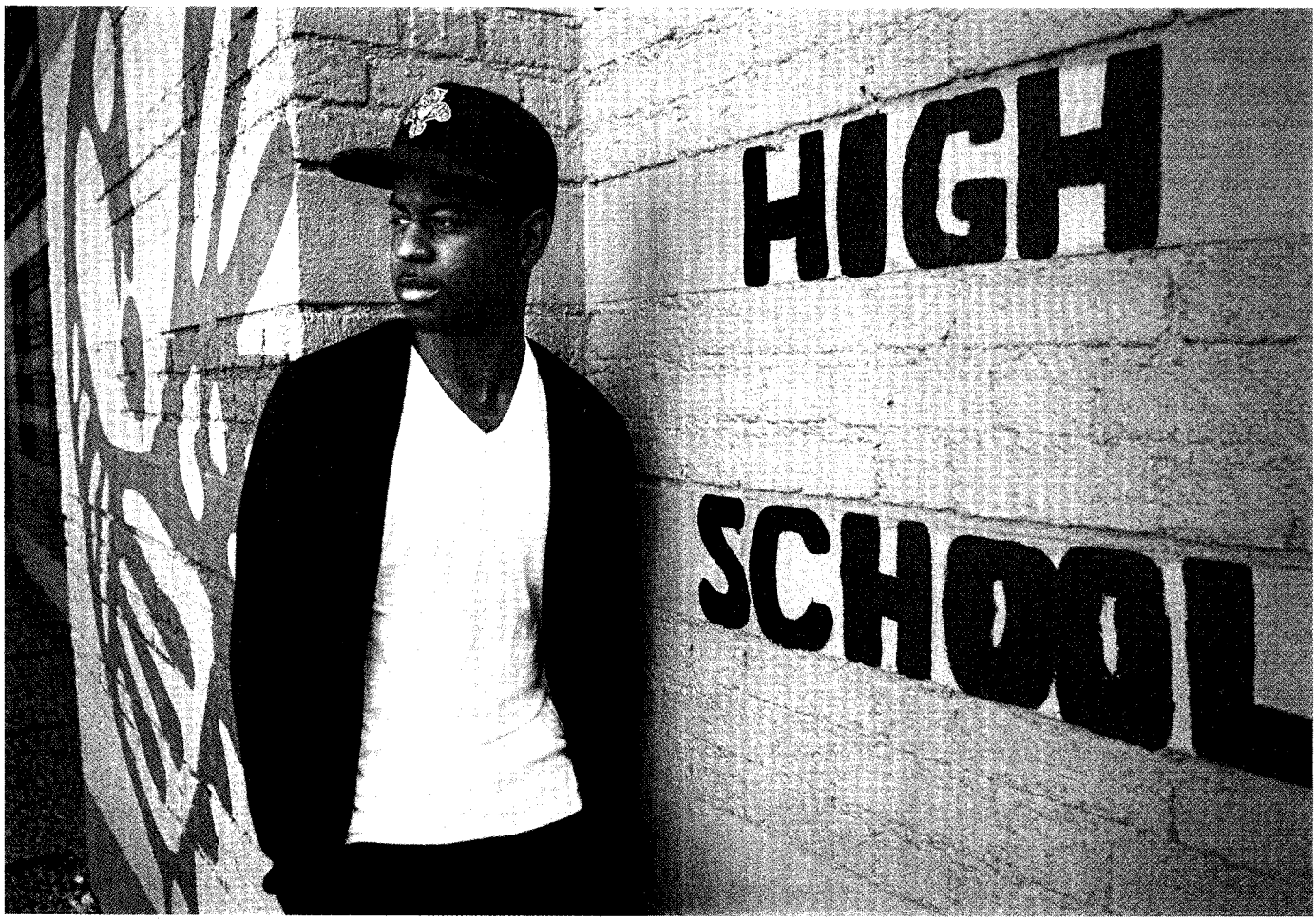

"Just like a family": Liberation Diploma Plus High School in Coney Island didn't give up on Justin Skeete. He graduated in June.

Emily Anne Epstein

New York's schools have all the challenges that we associate with urban schools, only more so: almost 80 percent of the city's 1.1 million students are poor enough to qualify for a reduced-price lunch. Roughly the same percentage are black and Hispanic. A tenth are special education students, and close to 15 percent are still learning English. All of those groups have an elevated risk of dropping out.

Some critics have questioned New York's improvement numbers, but even the most conservative calculations show unprecedented progress after decades of stagnation. The New York rate is especially dramatic considering that, on average, only about half the students graduate in large cities. In Los Angeles and Las Vegas, graduation rates have fallen. The city has made many missteps, but education reformers, including those in the Obama administration, have looked to New York as a model for addressing the dropout crisis. It seems that New York, the nation's largest city and school district, offers potential solutions to an intractable problem that has primarily plagued big cities.

In July 2002, Mayor Michael Bloomberg stunned New York City with his choice for the new schools chancellor. Joel Klein was an antitrust lawyer, an old hand at breaking up monopolies. Bloomberg, who had recently wrested control of the city schools from the board of education, wanted someone willing to remake the dysfunctional school district.

A day after he was appointed, Klein phoned the woman who would lead the transformation. Michele Cahill was a program officer at the Carnegie Corporation of New York, and, at the time, she was running an experiment in New York City funded by the Bill & Melinda Gates Foundation to replace large, struggling schools with small, more intimate schools. Klein told her he had a job for her in his reorganized education department as his senior counsel. The job came with a monumental assignment: raise New York's four-year graduation rate by 20 percentage points. His goal was 70 percent—the same as the national average. Klein gave her one main instruction: "Be bold."

Shortly after, Cahill discovered that not a lot was known about the city's dropout challenge. Which of the city's 230 high schools were getting their at-risk students on the right track? Which were failing at that task? Which students were falling through the cracks? She found some useful data stored in an outdated computer system. Often, though, no one could answer her questions.

That fall, Cahill visited schools. At Evander Childs, a 3,000-student behemoth of a school in the northern

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Bronx, the graduation rate had recently been tallied at 31 percent. When Cahill showed up a month into the school year, there were still nineteen teacher vacancies. The hallways were so chaotic it took students more than fifteen minutes to change classes. "This was the kind of thing where you said this doesn't need a Band-Aid," she says. "This was really, really broken."

She decided on a two-pronged assault. The department would compile data to find out which students were dropping out, and why. At the same time, the district would close schools such as Evander Childs that had chronically low graduation rates. Inside these same buildings, they would open small schools with fewer than 500 students, replicating the experiment that Cahill had been working on at Carnegie.

The small schools strategy was not new: Klein and Cahill borrowed the idea from a decades-old progressive education movement in the city that had become a national model with the support of foundations, including Gates. Some of the older small schools were successful, but others floundered just as much as large schools. In 2002, the city's existing small schools had a four-year graduation rate that was only marginally higher than the city average. But small schools potentially offered advantages over large schools. Teachers could get to know a smaller number of students better, and the more manageable size created an opportunity to experiment with teaching methods, curriculum, and course schedules.

The district, the administration believed, could increase its graduation rate by opening up more small schools modeled on the ones that worked. Cahill came up with a list of qualities that characterized the best schools: strong leadership, a strong shared mission, activities that excited teenagers, high expectations, good teaching, mechanisms for tracking student progress, and opportunities for the students to give back to the community. In October 2002, Klein announced that the city would open 200 small schools starting the following year.

The plan was massively ambitious, but the district wouldn't be opening the schools by itself. The Gates Foundation put $150 million toward the new schools. The district would operate the new schools, but they would be connected to private groups, including New Visions for Public Schools, which worked on the Carnegie Corporation's small schools experiment. The organizations ranged from Outward Bound to universities such as Johns Hopkins, to civil rights groups such as the National Council of La Raza. The connections provided more than extra support, says New Visions President Robert Hughes. Having outsiders with a variety of perspectives as partners "created a richer education experience."

When Cahill showed up a month into the school year, there were still nineteen teacher vacancies. The hallways were so chaotic it took students more than fifteen minutes to change classes.

As the new schools were rolled out, Cahill got to work on the second piece of the plan—identifying and understanding the students who were most likely to drop out. To analyze the numbers, Cahill hired outsiders to help, including Parthenon Group, Boston-based private equity consultants who specialize in education. Cahill, with the help of Parthenon, gathered data on the cohort of students who had entered high school in 1999—almost a quarter of a million students. Each student had been given a code in the outdated computer system: still enrolled, graduated, or discharged—which meant they had either dropped out or transferred to another district. They sorted through the discharge data to find which students had dropped out. For the students who were still enrolled, they looked at their age and how many credits they had earned toward graduation.

In 2005, the numbers were ready, and they were shocking. Nearly 140,000 high school–age youth in the city were at least two years behind where they needed to be to graduate on time. They had failed one or more grades in elementary or middle school and were way behind in accumulating the forty-four high school credits they needed to graduate. Half of the overage and undercredited students had already dropped out. Those still in school made up almost a third of the city's 247,000 high school students.

Some research had suggested that middle schools were the problem—that once future dropouts reached high school, they were already behind and doomed. But the New York numbers showed that nearly a third of eventual dropouts entered high school with their class, with proficient reading skills. This meant that for many students, high school was the problem, not middle school. The revelation was encouraging: it wasn't too late to help students once they reached ninth grade. Redesigning the high school experience with new small schools, curriculum interventions, and improved teaching and leadership had the potential to make a major difference.

The data uncovered other bright spots. Three characteristics predicted which schools would have the best graduation rates: gender, school size, and incoming student performance on standardized tests. That is, schools with fewer low performers had significantly higher graduation rates. The researchers also found that reducing by 100 the number of students in the freshman class of a school with a high concentration of low performers produced a 2.7 percent increase in its graduation rate. Dispersing low-performing students among schools also helped.

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More encouraging was a finding that alternative schools for at-risk students worked wonders with struggling students. Regular high schools graduated 19 percent of overage, undercredited students. At alternative schools, the graduation rates were 56 percent—right at the city average. Once students switched to an alternative school, they came to school more often and began earning credits more quickly. The solution was obvious: open more alternative schools.

Since the 1980s, Good Shepherd Services, a nonprofit organization in New York, ran a particularly successful alternative school for students at risk of dropping out. The group had opened in 1857 as a home for troubled girls. But its foray into coed public education was impressive. Cahill had already hired one of Good Shepherd's leaders, JoEllen Lynch, to help as a part-time consultant; she decided to hire her full-time.

Not all potential dropouts were the same, however. The Parthenon report revealed a wide range of achievement and experience among the students who were most likely to drop out, those who were already older than their classmates and were not earning enough credits to graduate on time. Studies done around the same time in Chicago and Philadelphia found the same thing. New York needed to create different options for different types of students.

In 2005, Klein and Cahill created an Office of Multiple Pathways to Graduation with $6.6 million from Gates and appointed Lynch director. She was charged with opening forty-five new schools. For older students closer to graduation, the district opened six new Young Adult Borough Centers, alternative schools located inside large high schools that continued to operate—such as the one that Justin attended at Lincoln. The YABCs held classes in the evening to accommodate work schedules and offered a diploma from the student's original school. In addition, Lynch opened thirty new transfer schools modeled on the Good Shepherd alternative school. Liberation Diploma Plus was one of the new schools. The transfer schools would be open to the hard cases: younger students who had spent less time in school and had earned fewer credits, or students like Justin, for whom the YABCs didn't work. Not long after opening, waiting lists formed at several of the transfer schools.

At the new alternative schools, attendance was the obsession, since getting potential dropouts into the classroom was half the battle. At a YABC opened in John F. Kennedy High School in the Bronx, monitoring attendance was part of the job description of nine people. At some transfer schools, administrators visited the homes of students who missed class.

The data also pointed toward a less drastic option than closing down schools. Two-thirds of potential dropouts with poor literacy skills quickly fell further behind in high school, and officials believed a new focus on helping them become better readers could keep more students in school. In 2003, 200 schools introduced Ramp Up, a remedial literacy program for ninth graders designed by America's Choice, a national for-profit education company that several states have since hired to help reform high schools.

By 2006, all of the pieces of New York's ambitious dropout reform plan were lurching to life. The next step was to wait and see what worked.

Another reform was imposed by a judge in 2003. Local education advocates, worried the district was pushing out its lowest-performing students, won a lawsuit that forced schools to hold "exit interviews" with dropouts. Guidance counselors urged students to stay, or pointed them to alternative programs such as the YABCs. The department soon attributed a plummeting dropout rate, at least in part, to this simple new procedure. "These were very strategic decisions to move all the levers at the same time," says Lynch. "To close low-performing high schools, to open new small schools, to drive innovation around curriculum, and to create recuperative options."

By 2006, all of the pieces were lurching to life. The next step was to wait and see what worked. There were good signs early on. That year, the first round of seniors graduated from fifteen small schools that had opened in 2002. The average graduation rate at the new schools was above 70 percent. At some of the schools, the graduation rate was above 90 percent.

It didn't take long for problems to appear, however. At Lincoln, the school where Justin began his high school career, the student population had grown from 2,500 to 2,800 the previous decade. The same phenomenon was happening citywide. As the city replaced large schools with small ones, the remaining big schools—which still held more than half of the city's students—got even more crowded. A 2009 report by researchers at the New School found that the neediest students from the closed schools tended to be channeled into the remaining large schools. Many of these students demanded services that small schools didn't necessarily offer—including special education—or were ill-equipped to make informed choices about the new school offerings.

Lincoln was able to keep up its graduation rate, but many of the ballooning schools struggled, creating a domino effect. In the New School report, researchers pointed out that several "barely functioning" large schools "soon became failing schools." The administration responded by closing them, too. By 2010, thirty-five high schools were in the process of being closed or had already been shuttered.

A New York University professor who has studied New York's drop-

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SMALL SCHOOL, BIG RESULTS

BRONX, New York—Jayquan Hyman, a gangly fifteen-year-old ninth grader, seemed destined to drop out after starting high school last September. He failed fifth grade and was older than his classmates, had spent years in special education classes, and cut classes throughout middle school. He was suspended within weeks of the start of school for cursing at a teacher. He was sullen and angry. He was also black, male, and living in the South Bronx, one of the poorest neighborhoods in America. The one person in his family who had gone to college was an aunt, now deceased. He was the sort of student that a principal might hope would quit to spare the school the trouble.

A decade ago, Jayquan would have been enrolled in South Bronx High, a school of about 1,000 students in a neighborhood of rusted train trestles and abandoned lots. Back then, the school had a reputation as a dumping ground for some of the borough's worst students, and it's likely Jayquan would have ended up among the one in five who dropped out every year. But South Bronx High had been closed.

Instead, Jayquan, a basketball player who hopes to make a career of it, enrolled at Urban Assembly School for Careers in Sports, one of three small schools installed in the old South Bronx building. Principal Felice Lepore understands the importance of engaging ninth graders quickly, before they have a chance to falter. Studies in a number of cities have found that failing even one ninth-grade class drastically reduces a student's chance of graduating. In the typical large high school, teachers with more seniority opt to work only with seniors and juniors. But Lepore says that at Urban Assembly the school's most effective teachers, regardless of seniority, are assigned to teach ninth graders. The school puts its "best foot forward" for freshmen, she said.

The school uses sports—batting averages, the arc of a basketball shot, the biography of Jackie Robinson—to teach math and history. Ninth graders research careers and apply for internships with the New York Yankees. Twice a week, teachers gather in intense meetings to hash out lessons and debate how to help struggling students.

Jayquan was frequently a topic of discussion. None of what they tried seemed to penetrate. The breakthrough came when Lepore created a program just for him: he was given a campus job after school in the main office. But he was only allowed to work if his conduct that day was perfect. Jayquan pulled ahead. He began handing in his homework and passing his classes, which had a mix of special education and regular students, and even got 80s in his history and business classes. By March, his conduct reports were mostly positive. Jayquan is an example of what can happen when a school knows the history of entering students, monitors their progress, and provides them with help tailored to their needs. The school's population is one that, statistically, is less likely to graduate. More than 80 percent of its students live in poverty, 100 percent are black or Hispanic, and nearly 85 percent are male, who are slightly more likely to drop out than girls. But Urban Assembly's formula seems to be working. Its four-year graduation rate is more than 80 percent, compared to 46 percent at the old South Bronx High.

Lepore, who worried that Jayquan wouldn't last a year, now believes he'll make it all the way to graduation. The job seems to have made him more serious about school. What's the job? Every day, he calls the students who haven't shown up for school—in effect, becoming the enforcer of rules he once broke. —*S.G.*

out problem, Pedro Noguera, worries about the administration's attitude that "schools will fix themselves or they'll be shut down."

"We shouldn't allow schools to flounder," he says.

Some of the new small schools have faltered, too. A handful made the state's failing-schools list. When the schools did well, critics accused the administration of allowing small schools to "cream" the best students, pointing out that during their first two years of operating they were not required to admit special education students and those who were still learning to speak English. (The policy was later changed.) And while small schools are good at focusing interventions on struggling students, they don't have the resources of larger schools. Often they can't provide challenging courses for high-achieving students, exacerbating inequities between New York City schools.

Another problem has been the unintended consequences of pressure on principals to raise graduation rates or face closure. A few principals were caught cheating—raising grades and giving out unearned credits. More pervasive was an unmonitored system of credit recovery, which let students make up a failed class, sometimes by simply completing a few hours of homework. Although the state had required students to put in "seat time"—meaning hours spent in a classroom—to earn course credits, at many schools students were passing classes even though they didn't have to show up. In April, the state responded to the lax standards by implementing new guidelines. The city is collecting data to see how prevalent the practice is.

The missteps have disillusioned at least one former booster of Klein's methods—Diane Ravitch, the education historian and former assistant secretary of education. She has pointed to the large numbers of New York City public school graduates who must take remedial classes at the city's community colleges—75 percent—as evidence that the reforms are superficial. She has also accused the administration of

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manipulating the graduation numbers, noting that the city excludes about a fifth of the students in each cohort from its graduation rate calculations. The students are labeled discharges, and the Bloomberg administration maintains that many of these students move to other districts. Ravitch argues that under federal guidelines, many would be considered dropouts. While the high percentage of discharges is problematic, it can't explain the rise in the graduation rate: discharges have stayed steady at about 20 percent for the past eight years.

Cahill acknowledges that in the rush of the reforms, everything wasn't "perfectly done," particularly when it came to helping the large schools cope. "We were not putting sufficient supports in those schools," she says. "But the overarching direction was to get more kids out of these dropout factories."

In that, they were successful. By 2008, the percentage of students in small high schools had more than tripled. About the same number of students were attending small schools as had attended the large schools that had been closed, according to a report released in February by the national research group MDRC. MDRC also found that the complaints that small schools serve less-challenging students were unfounded. Actually, small schools tend to serve more poor, minority, immigrant, and low-performing students than their larger counterparts.

Last year, the district's 234 new schools (most of them small) graduated 73 percent of their students. The graduation rate for black, Hispanic, English as a second language, and special education students was also higher at the new schools.

The results from the small schools are hopeful, but New York City still faces huge hurdles. Klein has become one of the city's longer-serving chancellors, giving much needed consistency to the system, but many of the deputies who orchestrated the reforms have left, including Cahill and Lynch. Many more students are earning the more competitive Regents diploma than before, but 26 percent of graduates do not. In 2012, all students will have to earn a Regents diploma to graduate, meaning New York's graduation rate will likely drop. Last year, a state comptroller audit raised concerns about the quality of the Regents diploma system itself, which is based on exams graded by teachers who, according to the audit, tend to inflate the scores.

At the same time, recent changes to state law have made it more difficult for the city to close large failing schools. The new law may not be a significant blow to the city's reforms, however. Size mattered, but by itself, making schools smaller was not sufficient to raise graduation rates. What mattered was how the smaller size of schools allowed educators to focus on, and be more flexible toward, student needs. It allowed not for bold change, but for incremental progress—student by student, day by day.

Some critics have questioned New York's improvement numbers, but even the most conservative calculations show unprecedented progress after decades of stagnation.

A department official who oversees academics, Josh Thomases, says the structural changes were really just laying the groundwork for a new phase of reform: improving teaching inside schools, both large and small, by encouraging more collaboration, helping teachers make better use of data about their students, and creating "fewer, clearer, higher standards" for schools and students.

One promising idea is teacher-led "inquiry teams." Small groups of teachers meet regularly to discuss struggling students and collectively figure out ways to help them. New Visions, which has now opened 133 schools in New York City, first implemented the program as an experiment in its small schools. New Visions also created versions in two large, traditional schools. Graduation rates climbed from 54 percent to more than 68 percent at both schools, even as their student populations grew. The success spurred the department to require the program citywide.

The graduation rate has not yet made the 70 percent goal that Klein and Cahill set, and Bloomberg has since set a new goal: 75 percent by the end of his current four-year term. To meet it, the city plans to expand its reforms to new frontiers such as special education. Yet city officials—along with their critics—have also come to believe that the Regents diploma is no longer enough. In the next phase, they plan to attack graduation standards and set a higher bar, the same one set by the Obama administration this year: making sure every student who graduates is also ready for college and a career. "The hardest work is still ahead of us," says Thomases.

New York's ideas for reforming high school may become more than just an interesting case study. That's what happened a decade ago when New York's innovations in community policing, under the David Dinkins administration, and its use of fine-grain data on crime, under Rudy Giuliani, got national attention as the country was battling violence and drugs. The Clinton administration institutionalized the city's ideas in the federal COPS program, and transformed how the country fought crime. If New York succeeds this time, it could once again be the leader in nationwide reform. WM

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PHILADELPHIA

After decades of effort, a decade of progress.

By Dale Mezzacappa

No major city in America has worked longer and harder on its dropout problem than Philadelphia. Yet those efforts, going back nearly half a century, have gained traction only in the last ten years. Between 2001 and 2009 the percentage of Philadelphia students who entered ninth grade and graduated in four years increased from 48 percent to 56 percent. Those gains might seem modest, and are clearly insufficient. But the fact that they occurred at all, and at a time when dropout rates nationally have not budged, suggests that Philadelphia is doing something right.

It's a measure of the complexity of the problem, however, that it is difficult to discern which of the flurry of policies and practices that have been tried here are responsible for the gains. Unlike in New York, Philadelphia has not followed a single blueprint or plan. Instead, the work on the issue has accreted over time, with new reforms and initiatives, most of them privately conceived or supported, added to the mix along the way. In the last five years the city has concentrated on providing students with an ever-growing array of options to the city's traditional high schools—charter schools, small alternative or "accelerated" schools—based on students' needs and inclination. Yet some of the most promising experiments in reform have also occurred in the city's traditional high schools, which the vast majority of its students still attend. But for bureaucratic and budgetary reasons those initiatives have seldom been sustained. If Philadelphia wants to continue to make progress, it'll have to find a way to do so, and the Obama administration's efforts to combat the dropout problem could provide some real help.

In 1968, Philadelphia's business, political, and civic elite got together to figure out how to get more high school kids to stay in school and prevent them from being swept up in the maelstrom of anger and urban violence touched off by the assassinations of Martin Luther King Jr. and Robert F. Kennedy. The year before, as many as 3,500 African American students demonstrated at school district headquarters demanding better schools, more black teachers, and culturally relevant courses and textbooks.

The kinds of problems that typically squelch major reforms in large urban school districts—money shortages, union resistance—were present in Philadelphia as well.

The big idea the leaders formulated was career academies: subunits within large neighborhood schools that blended academics with a vocational training and established stronger relationships between students and their peers and teachers. The first such academy in the nation, focused on preparing students for jobs in the electrical field, opened in 1969 at Thomas Edison High School, which had the highest dropout rate in the city. New career academies were started throughout the 1970s and '80s, and by the mid-'90s there were twenty-nine in the city and several thousand nationwide. Extensive research deemed the academies to be a successful anti-dropout strategy.

Over the next thirty years, with strong support and substantial nudging from the city's foundations and private sector, the school district would attack the dropout problem in a number of other ways. In 1982, when Constance Clayton became superintendent, she looked at the city's neighborhood high schools and saw "lethargy and sameness and undue stability of faculty and administrators." She said in a 1993 interview that she saw good anti-dropout programs, career academies among them, but they reached only a relatively small number of students in what was then a school district of more than 200,000 students.

Embracing the efforts of the Philadelphia High Schools Collaborative, an outside organization dedicated to reforming city high schools, she decided to shake things up. The Collaborative effort built on the career academies example and divided the high schools into smaller, semi-autonomous units within one building that focused more attention on incoming ninth graders. Good results were seen almost immediately at three pilot schools—better attendance, more success in classes, a more studious atmosphere. Eventually, twenty-two high schools were using parts of the strategy and 20,000 students were being affected. The goal was to create more intimate, personalized environments for learning, a concept that still drives much of the thinking on how to reduce the dropout rate.

But the kinds of problems that typically squelch major reforms in large urban school districts were present in Philadelphia as well. Skeptics questioned the

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statistics showing improvement. The Philadelphia teachers union objected to making the smaller units equivalent to separate schools, which affected teachers' seniority and job security. Money problems grew. Clayton also had her differences with the Collaborative; she retired in 1993, and the effort faded. The "small learning communities" continued to exist, but lost the autonomy that made them effective. In many high schools, they began to function like academic tracks, separating students by ability. Meanwhile, vocational career academies were reduced in number, from twenty-nine in the '90s to only ten today.

It's impossible to say what effect these on-again-off-again reforms had on the school district's overall dropout rate. By narrowly defining who was a dropout, Philadelphia and other school districts had for decades been underreporting their actual attrition rates. Whatever the effect of the anti-dropout measures, they were overwhelmed by the flight of white and black working- and middle-class families to the suburbs and a growing poverty rate in the city, which rose from 15 percent in 1970 to 24 percent today, according to U.S. Census data. Students were promoted in elementary and middle schools even though they weren't learning fundamental skills; by 2000 more than 75 percent of the students who enrolled in the district's neighborhood high schools were far behind academically.

In 1999, Philadelphia's civic community pushed yet another remedy aimed at reworking the high schools that Clayton, more than a decade before, had characterized as outmoded and resistant to change. The Philadelphia Education Fund, which combines money from foundations, wealthy individuals, corporations, and public agencies, persuaded the school district to bring in a new approach to its worst schools. The model, developed at Johns Hopkins University, was called Talent Development High Schools, and its primary goal was to keep ninth graders on track toward graduation by making sure they passed all of their courses. Over the next four years, the model would show progress in seven of the district's high schools. A 2004 evaluation by MDRC, the public policy research organization, found that the Talent Development schools "produced substantial gains in academic course credits earned and promotion rates and modest improvements in attendance."

In 2002, Paul Vallas, the energetic, do-it-all-at-once former CEO of the Chicago Public Schools, was hired as Philadelphia's sixth superintendent in thirty years. He arrived just after the state had declared the Philadelphia schools financially and academically bankrupt, replaced the mayorally appointed school board with a School Reform Commission with a majority named by the governor, and demanded that the district turn over many of its worst-performing schools to private, sometimes for-profit operators. Vallas embraced the "diverse provider" strategy even as he continued to push for more money and implement his own agenda. After the MDRC study came out, Vallas said the district could not afford to continue the existing Talent Development High Schools, let alone expand the program intact. Instead, he said all the neighborhood schools would borrow some ideas from Talent Development.

Philly's gains might seem modest, but the fact that they occurred at all, while dropout rates nationally have not budged, suggests the city is doing something right.

James Kemple, the researcher who headed up the study of Talent Development, was at the meeting in which Vallas said he'd do his own take on the model. Kemple cautioned him against trying to do it piecemeal. "I was trying to make the case with Paul that the best research you have ... is based on this version of the model," Kemple said. He called Vallas's decision "changing horses midstream," and said that when decisions are not made based on evidence they result in districts implementing the "reform du jour."

Rather than attempt to fix the large neighborhood high schools, Vallas's plan was to create alternatives to them. He started twenty-six new small schools, backed the creation of more charter schools, and created disciplinary schools that were run on contract by private companies. As of 2002, there were thirty-eight public high schools in Philadelphia, with an average enrollment of 1,700 students. By 2007, there were sixty-two schools, including charters. Today there are ninety, twenty-nine of them charters.

As Vallas was deciding to move away from Talent Development, Robert Balfanz and Ruth Curran Neild, two Johns Hopkins researchers, began a retrospective study, paid for by a number of national and local foundations, of the "dropout crisis," covering the years from 2000 to 2005. Their 2006 report, called *Unfulfilled Promise*, was the first definitive counting of high school dropouts in the district, after decades of policies aimed at stemming the tide. They found that, during the period studied, some 30,000 Philadelphia students had dropped out, and thousands more were "near dropouts" who showed up less than half the time. On a positive note, however, they found evidence of improvement. More than 52 percent of the class of 2005 graduated on time in four years. That was about 4 percentage points higher than the average for the previous four years.

Until that study, "[w]e didn't have a public fix on who was dropping out, where they were dropping out from, and what kind of services they need," said Neild. Because it was one of the first studies to define the graduation rate in terms of cohorts—tracing the fortunes of each entering ninth-grade class and showing how many graduate—"it helped people realize the scale of it," she said.

The researchers discovered that many of those most likely to drop out could be identified beginning in the sixth grade and nearly all of them by the ninth grade. They advised that high schools alone could not fix the problem. The mid-

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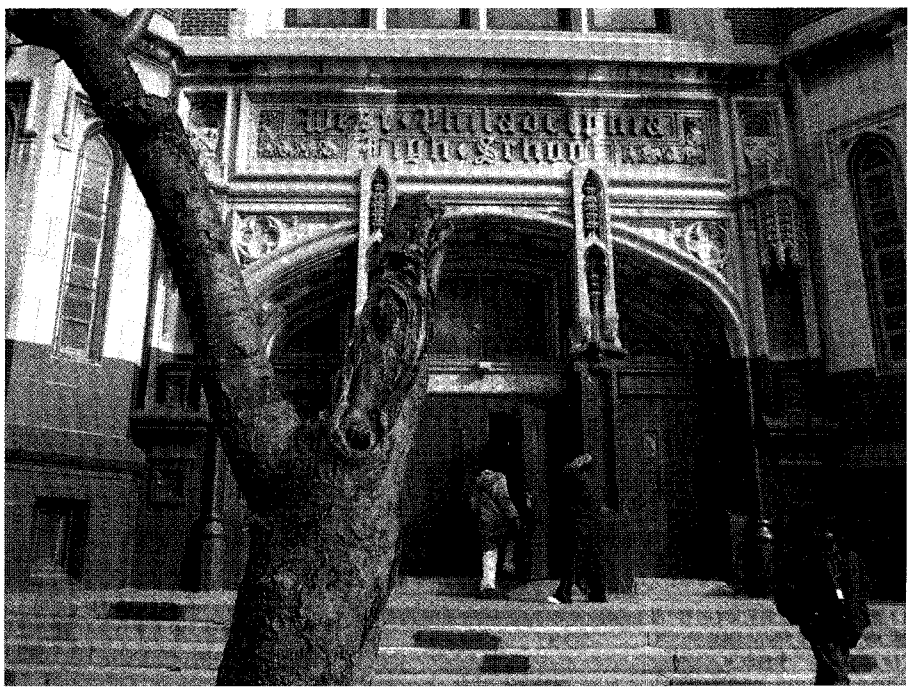
dle school grades would have to do a better job of educating their students. Keeping ninth graders on track needed to be a priority. Also important, however, was that one in five dropouts were older students who had either quit school or entered the juvenile justice system a few credits short of a diploma. The researchers recommended the creation of alternative institutions instead of expecting these youths to reenter the high schools they had already given up on. This had the potential to bump up the graduation rate quickly without dealing with the messy politics and adult interests that come with the territory in high school reform efforts.



Dropout factories: Schools like West Philadelphia High desperately need reform.

Not surprisingly, it was this last recommendation that Vallas seized on, because it was consistent with what he was already doing. There also was demand. The release of the report had marked the launch of a new advocacy group called the Project U-Turn Collaborative that would help implement some of these recommendations. In the first year after its October 2006 launch, Project U-Turn raised $10 million from public and private sources, and 1,500 dropouts contacted the project to ask for help in getting a diploma. But seats could only be found for 158 in the city's existing alternative schools. Vallas created the Office of Multiple Pathways to Graduation to expand programs for disengaged youth. He contracted with private companies to run "accelerated" schools that could help students graduate more quickly. Arlene Ackerman succeeded Vallas in 2008, and she has added seats to the network, which now can accommodate 2,200 youths. Under Ackerman the district has also set up a Re-engagement Center, where former students can come and be referred to a school within the expanding network of options. And with funding from the U.S. Department of Labor, Philadelphia community organizations are now helping students who have dropped out earn either a GED or credits toward a diploma.

The traditional high schools have not been abandoned by the new wave of reformers. Since Project U-Turn was created, the city has won about $65 million in grants, also from the Labor Department, for programs in seven neighborhood high schools that were cited as "persistently dangerous." Using some of this money, the district is creating in most of its neighborhood schools "bridge" programs that try to engage ninth graders in the summer before high school, reviving a practice first introduced by Clayton in the late '80s. Ackerman has a new plan called Renaissance Schools in which some of the worst schools will be converted to charters or slated for turnaround treatment within the district, some directly under her supervision. In the first year, three long-troubled high schools made that list.

Though disentangling the effects of all these policies on the city's overall dropout rate isn't easy, the numbers are certainly moving in the right direction. Between 2005 and 2009 the percentage of students who entered ninth grade and graduated in four years increased from 52 percent to 56 percent. And the six-year graduation rate has been steadily inching up—from 57 percent for the class of 2005 to 60 percent for the class of 2007. At least some of that six-year graduation rate increase is attributable to the new "accelerated" schools, according to Project U-Turn data.

It could be that Vallas and Project U-Turn are right and that taking on dysfunctional high schools was too hard and expensive, at least at the time. But there's a limit to what the alternative schools Vallas and Ackerman have encouraged can do: most of the students entering them have accumulated very few high school credits and have reading and math proficiency that hovers around the fifth-grade level.

Even with the improvements, each year more than 8,000 Philadelphia students drop out, most from the neighborhood schools. Project U-Turn's goal is to cut that number by at least 2,000 students by the end of the upcoming school year. Philadelphia Mayor Michael Nutter has set a high bar as well. He has committed city resources to increasing the six-year graduation rate to 80 percent. To reach those audacious goals, Philadelphia will need to do what it hasn't succeeded in doing in the past—fix neighborhood schools. And with the Obama administration now pledging billions of federal dollars for school "turnaround" efforts, Philadelphia has another opportunity to keep trying. WM

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PORTLAND, OREGON

All the advantages, and nothing to show for it.

By Betsy Hammond

If any big-city school district should have a handle on its high school dropout problem, it would surely be Portland, Oregon.

Compact and bike friendly, this darling of urban planners draws middle- and upper-middle-income professionals to live inside its city limits. And they do something that their counterparts in Detroit or Washington, D.C., or Los Angeles rarely consider: they send their children to public schools. In a school district that enrolls 47,000 students, only 43 percent are poor (in Chicago, 85 percent are) and a majority are white (in Philadelphia, 13 percent are). White and middle-class teens are far less likely to drop out of high school than their minority and low-income peers.

But a shockingly low percentage of Portland's high school students graduate on time: just 53 percent. That puts its dropout rate on par with rates in Philadelphia, Louisville, and El Paso—all bigger districts with much higher concentrations of poverty. A majority of Portland's dropouts are white, only half qualify for subsidized school meals, and 90 percent are native English speakers.

It's not that Portland hasn't tried to do better. The school district has implemented a series of reforms, many of them strikingly similar to what New York City and Philadelphia, two cities with rising graduation rates, have been doing. A few of these reforms—turning to private outfits to run schools, upending the faculty and curriculum at schools with chronic low test scores, using sophisticated data systems to pinpoint instructional needs—are steps the Obama administration wants to encourage all school districts with achievement problems to adopt.

But in Portland, those reforms haven't worked. Despite fifteen years of effort, the city's dropout rate hasn't budged. How Portland took good ideas and managed to botch their implementation—through inattention and a failure to measure and demand results—is a cautionary tale for those in Washington who want to use federal dollars to get local schools to do right by their students.

How Portland took good ideas and botched their implementation is a cautionary tale for those who want to use federal dollars to get local schools to do right by their students.

Portland's first effort to grapple with its dropout problem began in the mid-1990s, when the school district vastly expanded what had been a small network of community-based alternative high schools. Founded in the 1970s and '80s, these privately run nonprofit programs had a good reputation around Portland for welcoming troubled teens who had dropped out of traditional high schools and reconnecting them to the classroom and society.

Expanding these schools seemed like a good way to benefit more of these vulnerable kids. But it also happened to benefit the Portland school district's bottom line. Voter-enacted changes in the way Oregon funds schools hit the Portland school district hard in the early 1990s. The surest and quickest way to refill its coffers was to lure back students who had dropped out.

It seemed like a win-win: disconnected students could find their niche in a nontraditional school setting, and the Portland school system could keep up to 20 percent of the state funds that paid for them to be there. Enrollment in the alternative programs doubled between 1991 and 1997.

National meetings were convened in Portland to let other youth-helping agencies see firsthand the variety and power of Portland's second-chance alternative schools. New York, Philadelphia, and others created similar networks of community-based schools with nontraditional structures and extra social and emotional support to help dropouts or near dropouts get back on track.

The city's second stab at fixing its dropout problem began in the early 2000s. At that time, the Bill & Melinda Gates Foundation was pouring major money into promoting a particular school reform idea: breaking up big, institutional high schools to create small, personalized ones. Researchers had found links between these more intimate school settings and higher test scores and graduation rates. Leading Portland-area employers teamed with Oregon's biggest philanthropy, the Meyer Memorial Trust, to pool funds and snare $2.1 million more from Gates to remake three of the city's big traditional high schools—those with

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the most disadvantaged students and the worst dropout rates. Those schools were broken up into multiple small academies housed under one roof, each with its own defined academic theme, such as business-technology and "renaissance" arts.

As those campuses were reorganizing, another effort got underway: an unprecedented study, also funded by foundations (including Gates, Carnegie, and Mott), of who dropped out in Portland and why. Released in May of 2007, the study tracked every student in the class of 2004 and yielded three major findings. First, the dropout problem was much bigger than the state or school district had let on: the on-time graduation rate was not 85 percent, as had long been officially reported, but 54 percent. Second, it wasn't just poor and minority students who were dropping out; white kids were, too, at alarming rates. Finally, and of most interest to school district leaders, likely dropouts could be pinpointed as early as ninth grade based on their attendance, test scores, and grades. In Portland, the study found, students of any race or family background who failed to accumulate 5.5 credits during ninth grade were four times more likely to drop out than those who earned enough credits.

The study sparked immediate action. Then superintendent Vicki Phillips, now head of education initiatives at Gates, created an "academic priority" program in which the district identified by name all incoming ninth graders with the most risk factors for failing to earn 5.5 credits. Each high school was given an average of $120,000 apiece to design its own approach to helping these students. Some schools used the money to reduce class sizes in ninth grade and asked their best teachers to teach them. Others assigned blocks of freshmen to a common set of core academic teachers who met together to monitor their progress. Still others appointed adult mentors to conduct daily or weekly check-ins with the shakiest students.

In theory, the three strategies Portland chose to address its dropout problems—plentiful and welcoming alternative schools, innovative small academies in place of large traditional high schools, and targeted extra support for ninth graders at risk of failure—were the right ones. They have certainly worked elsewhere. New York City's small high schools showed slightly higher graduation rates just a couple years after they opened. Philadelphia's growing network of alternative high schools has brought positive results. Researchers in Chicago and Baltimore confirmed that identifying at-risk students in eighth and ninth grade and helping them pass enough classes to be on track toward graduation is the smart way to prevent dropouts.

At Portland's alternative schools, students sit on comfy couches, bring guitars to class, and spend hours talking about current events. Actually earning credits to graduate can seem downright square.

But in Portland, these same steps haven't led to any measurable improvement in the high school graduation rate. The reason is that in each case, the school district failed to press for results and to fight against—or even to recognize—the political, cultural, and bureaucratic forces that typically undermine reform.

Take the "academic priority" program for at-risk ninth graders. Leaving it up to individual schools to design their own interventions probably made sense—the district's central office certainly had no monopoly on good ideas. But for such a decentralized strategy to work, the district needed to measure and reward outcomes so that the principals and teachers would have an incentive to drop practices that weren't working and adopt others that were. This the district failed to do. Three years into the project, there has yet to be a public report on how many "priority" freshmen at each school passed their classes or earned enough high school credits after getting extra attention. In fact, the district's office of high schools, which launched the ninth-grade initiative and was supposed to oversee it, was subsequently dismantled and its staff dismissed.

The city's effort to break up its big high schools into smaller schools-within-schools suffered a similar fate.

When Portland first won grants to create the new small schools, backers pledged that students would be known and nurtured and challenged so well that 97 percent would earn diplomas. But, five years into the Gates-led initiative, overall graduation rates at the small academies remain stuck at the same abysmal level of the old comprehensive high schools they replaced. One high school faculty revolted and reverted to the big school model.

Why the inability to improve? Part of the reason was the federal No Child Left Behind law, which required giving students at failing schools the ability to transfer out. Most students who could read and write at grade level opted to flee, leaving higher concentrations of lower-achieving students at the smaller schools. But those schools never had much of a chance to compete, because they never had real autonomy. New York City hired full-fledged principals for its new small high schools and gave them the ability to hire their own teachers. Portland paid small school principals what it paid vice principals at large schools and vetted their qualifications at that same, lesser standard. Teachers who were on staff at the big schools were recycled into small school faculty, whether or not they or the small schools considered that the right fit.

Portland's biggest failure, however, has been its community-based alternative schools. In 2007, the most recent year on which the district has reported,

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these privately run alternative schools enrolled about 2,500 students but issued just 156 diplomas. By contrast, New York City's alternative schools now issue diplomas to more than half the overage, undercredited students who enter them.

The reason for this unconscionable difference has to do with expectations and accountability. In 2004, New York schools chancellor Joel Klein closed a host of dropout recovery programs that weren't getting the job done. The school district now issues detailed yearly performance reports on each of its transfer high schools, and schools that don't measure up risk being shut down. "One of the principles that drive the New York effort is the belief that all kids can graduate," says JoEllen Lynch, former executive director of the Office of Multiple Pathways to Graduation in New York. "Those students need a lot more support, instructionally and emotionally, but you have to move them toward a diploma. That's just a basic expectation of a school."

Such expectations and accountability have simply never been part of Portland's alternative schools system. Those schools are funded with public money, but because they are privately operated, they are not subject to state accountability reports on their test scores or graduation rates. The way school district and city leaders see it, getting disengaged teens to reconnect with school is a victory in itself. The atmosphere inside these schools reflects these low expectations. They project a youth-embracing vibe in which earning credits, mastering algebra, and learning to use proper spelling and grammar can seem downright square. Preparing for the GED—a vastly substandard credential to a diploma—is considered rigorous. Students can take classes on comfy couches, bring their guitars to class, and spend hours talking about current events—all engaging, but not the ticket to a proper high school diploma, much less college or career.

As you might imagine, this high-sympathy, low-demand ethos makes the alternative schools wildly popular with young adults turned off by the city's traditional high schools (not to mention magnets for troubled and listless teens from nearby school districts). In New York City, about 5 percent of high school students attend community-based second-chance alternative schools high schools, known there as "transfer high schools"; in Portland, nearly 20 percent do.

Having such a large portion of the city's students in alternative schools can depress a district's graduation rate by excusing regular middle and high schools from addressing students' problems early on, notes Robert Balfanz, a Johns Hopkins University researcher who specializes in dropouts. "School officials can say, 'Well, we have lots of good alternative schools for students who need more support than we can give, so the best solution is really to try to get these students there,'" rather than provide supports or prevention services in our regular schools, he said.

If New York and Philadelphia, cities with much bigger problems, can improve their graduation rates, what excuse does Portland have not to do so, too?

None of this should be news in Portland, by the way. The local paper, *The Oregonian* (for which I work), has run several front-page articles showing that the alternative schools have poor attendance, weak oversight, lax academic expectations, and extremely few graduates.

The potentially good news is that the Portland schools are beginning to show signs of waking up. Superintendent Carole Smith, who spent decades running one of the city's better private alternative schools, has indicated that the district will start vetting such schools for results beginning this fall, cutting off contracts to those that don't measure up. She has also said that this fall the district will begin posting data on at-risk freshmen at the traditional high schools who are supposed to be getting extra support and attention under the "academic priority" program. That should make it possible to see how good a job individual schools are doing in helping these at-risk kids pass their classes and earn sufficient credits to graduate.

In the face of declining district enrollment, Smith is also pressing a plan to close one or more high schools and lessen the socioeconomic gulfs between those that remain. Her hope is that having fewer, larger neighborhood high schools—the opposite of the Gates approach—will allow each one to guarantee more catch-up opportunities for struggling students, plus an array of fine arts, music, college prep, and world languages now entirely lacking in some of the less affluent Portland high schools.

Smith's focus on improving the district's graduation rate—she calls it "our primary challenge"—is welcome. But if she hopes to succeed she'll need to foster a change in expectations. The attitude that has long infused Portland's alternative schools—that troubled teens can't be expected to graduate, and that just getting them to show up is a victory—has also defined Portland's general approach to the dropout problem. Grant makers and school board members praised the district for its creativity and partnerships in addressing the dropout issue, even as the schools were still failing huge numbers of students. Good intentions were rewarded, not results. If New York and Philadelphia, cities with much bigger problems, can improve their graduation rates, what excuse does Portland have not to do so, too? WM

Betsy Hammond covers education for *The Oregonian*.

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Breaking into the medical supply market has always been tough, in part because for decades the business has been dominated by a handful of behemoth suppliers. In the case of syringes, the incumbent heavyweight has long been Becton Dickinson, or BD, a New Jersey–based company that controls 70 percent of the syringe market and has a lengthy history of trampling competitors. As early as 1960, BD was brought up on Justice Department charges for its anticompetitive practices—among them price fixing, buying up patents to kill its rivals' innovations, and forcing hospitals to buy its syringes to get other essential supplies, some of which were only produced by BD.

Often, these large companies used their clout to squeeze hospitals on prices. To keep costs in check, in the 1970s many medical facilities began banding together to form group purchasing organizations, or GPOs. The underlying idea was simple: because suppliers generally give price breaks to customers who buy large quantities, hospitals could get better deals on, say, gauze or gloves, if a group of them came together and bargained for ten cases, rather than each hospital buying a case on its own.

Originally, these purchasing groups were nonprofit collectives and were managed and funded by the hospitals themselves. But in the mid-1970s, the model began to shift. Some large hospital chains started to spin off for-profit GPO subsidiaries, which other hospitals could join by paying membership dues, much the way members of buying clubs like Costco pay dues to get bulk-buying discounts. By decade's end, virtually every hospital in America belonged to a GPO.

Then, in 1986 Congress passed a bill exempting GPOs from the anti-kickback provisions embedded in Medicare law. This meant that instead of collecting membership dues, GPOs could collect "fees"—in other industries they might be called kickbacks or bribes—from suppliers in the form of a share of sales revenue. (For example, in exchange for signing a contract with a given gauze maker, a GPO might get a percentage of whatever the company made selling gauze to members.) The idea was to help struggling hospitals by shifting the burden of funding GPOs' operations to vendors. To prevent abuse, "fees" of more than 3 percent of sales were supposed to be reported to member hospitals and (upon request) the secretary of health and human services.

But, as with many well-intended laws, the shift had some ground-shaking unintended consequences. Most importantly, it turned the incentives for GPOs upside down. Instead of being tied to the dues paid by members, GPOs' revenues were now tied to the profits of the suppliers they were supposed to be pressing for lower prices. This created an incentive to cater to the sellers rather than to the buyers—to big companies like Becton Dickinson rather than to member hospitals. Before long, large suppliers began using "fees"—sometimes very generous ones—along with tiered pricing to secure deals that locked GPO members into buying their products. In many cases, hospitals were obliged to buy virtually all of their bandages or scalpels or heart monitors from one company. GPOs also began offering package deals that bundled products together. To get the best price on stethoscopes, a hospital might have to agree to buy everything from pacemakers to cotton balls from the GPO's preferred vendors. Hospitals went along because they got price breaks, usually in the form of rebates if they met buying quotas.

This situation only grew thornier in 1996, when the Justice Department and the Federal Trade Commission overhauled antitrust rules and granted the organizations protection from antitrust actions, except under "extraordinary circumstances." Once again, the idea was to help struggling hospitals, this time by allowing the buying groups to grow big enough to negotiate the best deals for their members. But the decision led to a frenzy of consolidation. Within a few years, five GPOs controlled purchasing for 90 percent of the nation's hospitals, which only amplified the clout of big suppliers.

If the medical supply industry hasn't transformed itself, that's because the pay-for-play system remains intact. "It's a gravy train," explains Prakash Sethi of the International Center for Corporate Accountability at Baruch College. "Why should they get off it?"

As it turns out, Shaw's retractable syringe hit just as these trends were converging. In fact, the year his product came onto the market, three of the nation's largest GPOs merged to form a company called Premier, which managed buying for 1,700 hospitals, or about a third of all hospitals in the United States. Shortly thereafter, Premier signed a $1.8 billion, seven-and-a-half-year deal with Becton Dickinson. Under the agreement, member hospitals—among them Dallas-based Presbyterian, where Shaw would hit a brick wall—had to buy 90 percent of their syringes and blood collection tubes from the company. Over the next two years, BD landed similar deals with all but one major GPO. As a result, almost everywhere Shaw turned, he found hospital doors were closed to him.

Nevertheless, Shaw soldiered on and managed to score a few victories. He landed a number of contracts with government agencies, including the VA, that nego-

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tiate directly with vendors for supplies. Or he sold his wares to systems so small and poor that they weren't on the GPOs' radar—prisons, nursing homes, Indian reservations, and the like. He also teamed up with the SEIU, which was lobbying for legislation to curb the needle sticks that were afflicting more than 600,000 health care workers each year. Shaw ended up helping craft a California bill that required hospitals to keep a log indicating which syringes were causing needle sticks and take regular steps to transition to the safer ones. Twenty-one states later passed laws patterned after California's, and in 2000 the federal government followed suit. That winter, Shaw traveled from Little Elm for the signing ceremony in the Oval Office, and President Bill Clinton gave him a pen he had used to sign the measure into law.

This bumper crop of legislation should have been a boon to Shaw's company—after all, there was nothing else like his product on the market. BD had released its own safety syringes some years earlier. But the ECRI Institute, the *Consumer Reports* of the health care industry, had rated its best-selling model "unacceptable" (it was later upgraded to "not recommended"), whereas Shaw's product received the top rating. And some medical facilities had found that, rather than drive down needle sticks, BD products caused their numbers to rise. After the federal needle safety law passed, Cook Children's, a Fort Worth–based chain of pediatric clinics, first moved to BD safety needles. But after dropping initially, the number of needle sticks more than doubled, from nine to nineteen a year. So in 2004 Cooks began transitioning to Retractable syringes, and over the next four years the number of sticks fell to zero.

Shaw's confrontational style was beginning to put off potential allies. When he was invited to speak at a luncheon of medical suppliers, no one would sit near him. He ate alone, surrounded by twelve empty chairs, and was booed when he stepped to the podium.

But Shaw's company continued to have trouble breaking into hospitals. In mid-1999, Kaiser Permanente of California signed a one-year contract to buy Retractable syringes, which seemed like an enormous coup. But a month later, Becton Dickinson announced a "unique" three-year, $30 million deal with Kaiser nationwide. After that, Shaw struggled to get his syringes into Kaiser supply rooms—often, he says, they sat locked in warehouses or trucks in distributors' parking lots. Kaiser spokesman Jim Anderson argues that if Shaw's products didn't make their way to hospitals it was because of "significant supply issues" on Retractable's end. He also says they were prone to malfunction and that, in several cases, needles detached and were left "stuck in the arms of patients." Whatever the reasons, Kaiser broke off the deal early.

Meanwhile, as Shaw was fighting his battles hospital to hospital, Becton Dickinson was working to extend its hold on the nation's GPOs. According to confidential documents filed as part of a whistleblower lawsuit, in 1999 BD paid $1 million to Novation, the only major GPO with which it hadn't yet signed a sole-source contract, in return for a three-year sole-source deal for syringes and needles. This payment, which it dubbed a "special marketing fee," was on top of more than 3 percent of its sales revenue and other perks valued at hundreds of thousands of dollars. Becton Dickinson's grip on hospitals was now even tighter than it had been before.

By this point, the struggle was starting to take its toll on Shaw. Now when he came home after long days in the office, he would shut himself in a room and not let anyone in except his children. His marriage was unraveling (he later divorced) and his increasingly confrontational style was starting to put off potential allies. When he was invited to speak at a luncheon of the Medical Device Manufacturers Association, an alliance of small medical suppliers, no one would sit near him; he ate alone, surrounded by twelve empty chairs, and was booed when he stepped to the podium. "They were afraid if we took on the GPOs they would be destroyed," Shaw recalls. Meanwhile, Retractable Technologies' stock had lost nearly two-thirds of its value, and its operating capital was dwindling rapidly. After weighing his options, in 2001 Shaw finally filed an antitrust suit against Becton Dickinson, Novation, and Premier.

Around this time, GPOs started to come under scrutiny. The *New York Times* ran an investigative series on their business practices in 2002, and Congress followed suit with a string of hearings. One of the first witnesses was California entrepreneur Joe Kiani, who had invented a machine to monitor blood-oxygen levels. Unlike other similar devices, Kiani's worked even when patients moved around or had little blood flowing to their extremities, a crucial innovation for treating sickly, premature infants, who tend to squirm and need to be monitored constantly for oxygen saturation—too little and they suffocate, too much and they go blind. But most hospitals couldn't buy Kiani's product because his larger rival, Nellcor, had cut a deal with the GPOs.

Kiani's testimony was followed by a flood of revelations about self-dealing and conflicts of interest among GPOs and their executives. Congress was also given a slew of documents showing that GPOs were collecting upfront payments of up to $3 million from suppliers, including drug makers like AstraZeneca, in return for awarding them sales contracts, not to mention a large share of revenues. In one case, a vendor was

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handing Novation not 3 percent of its revenue on a given product line, but a full *94 percent*, according to Novation documents.

These revelations stirred a groundswell of outrage, and there was talk of legislation to rein the GPOs in. Spooked by this threat, in 2002, the industry introduced a voluntary code of conduct, which it promised would foster "a thriving, innovative and competitive healthcare marketplace," and three years later created a body to oversee compliance. For the first time, it seemed as if these powerful middlemen might actually cede some ground.

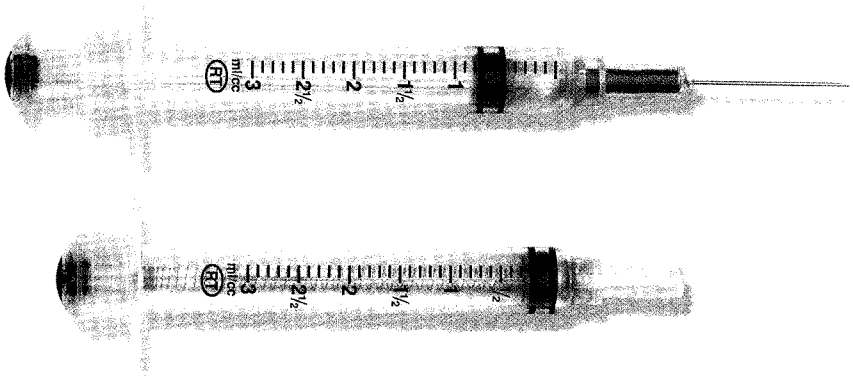
By this point, Shaw appeared to be on the verge of a breakthrough as well. In mid-2003, Novation, Premier, and another company offered to pay him $50 million to settle out of court and agreed to take steps to give him market access, though the specific terms remain under gag order. As the case was getting ready to go to trial the following year, Shaw received a two a.m. phone call from his lawyer saying that Becton Dickinson was prepared to offer a $100 million settlement. Shaw roused his children, and they piled in the car and drove to the local IHOP for blueberry pancakes.

After the settlement, Shaw started offering his retractable syringes for ten cents a piece, about what other companies were charging for their conventional hypodermics. But even this didn't boost sales—in fact, Retractable's sales to non-VA hospitals dropped. Shaw has since come to see the settlement as nothing more than a tool for the GPOs to keep the details of their operations under wraps. "The group purchasing organizations that were BD's agents paid us $50 million to keep their practices from being reviewed in front of a jury," he told me. "They took the equivalent of $10,000 from every hospital in the U.S. and gave it to a company in Little Elm, Texas. Either they've got minimal trust in the average juror or they've got something they don't want the public to know."

Shaw is not the only one who kept running into brick walls after the GPOs' promised reforms took hold. In 2004, Garrett Bolks, a Tulsa native who had spent twenty-four years working in the medical supply business, brought the first X-ray-detectable surgical towel to market. It was a simple invention—nothing more than a strip of blue waffle-weave cloth about the size of a hand towel, with a flexible ribbon of barium sulfate tucked into one corner of the hem. But it promised to eliminate the problem of towels being accidentally left to fester inside the body after surgery, and it garnered attention in high places.

After learning about the product through a friend in the summer of 2004, then Secretary of Health and Human Services Tommy Thompson invited Bolks out to Washington, where they discussed it over steaks at a local restaurant. Thompson liked what he heard. "It made a heck of a lot of sense to me," Thompson recalled when I spoke to him in January. "I thought, Why hasn't anybody thought of this before? This should be the standard in the industry." After leaving the Bush administration the following year, Thompson agreed to sit on the company's board and began talking up Bolks's product in speeches. Bolks also landed a contract to sell his towels to the venerable Cleveland Clinic.

Nevertheless, Bolks couldn't manage to make inroads with the GPOs, even when his X-ray-detectable towel was the only one on the market—and soon enough he had competitors. By 2006, Bolks had sunk more than $1 million of his own money into the venture, and was running out of capital. So when a Dallas-based GPO named Broadlane put out a bid for surgical towels that year, he decided to go all out. Not only did he offer his towels at pennies above cost, he also called in his connections, including Thompson, who personally put in a call to Broadlane. "I brought out as many big guns as I could," Bolks recalls. "Because I knew this was my last chance."



The disappearing act: Thomas Shaw's retractable syringe before and after activation.

Retractable Technologies, Inc.

But even this was not enough for him to land the deal. Instead, Broadlane chose to go with ordinary, non-X-ray-detectable surgical towels from two established players, Medical Action and Medline. On its face, this choice made little sense. According to internal Broadlane documents, the quality of Bolks's towels was on par with competitors, and his bid was nearly 20 percent lower than any other company's X-ray-detectable products. It was also lower than the non-X-ray-detectable towels Broadlane chose. By all appearances, Broadlane went with a more expensive product that offered fewer benefits for patients.

Broadlane's executive vice president for supply chain services, Michael Berryhill, said via e-mail that he could not comment on the reasons for the decision, though he emphasized that the company and its member hospitals weigh a number of factors beyond price when choosing which bids to accept, including "the reputation and reliability of each potential supplier" and "the transaction costs associated with having more suppliers on-contract compared to a lean supply chain." But

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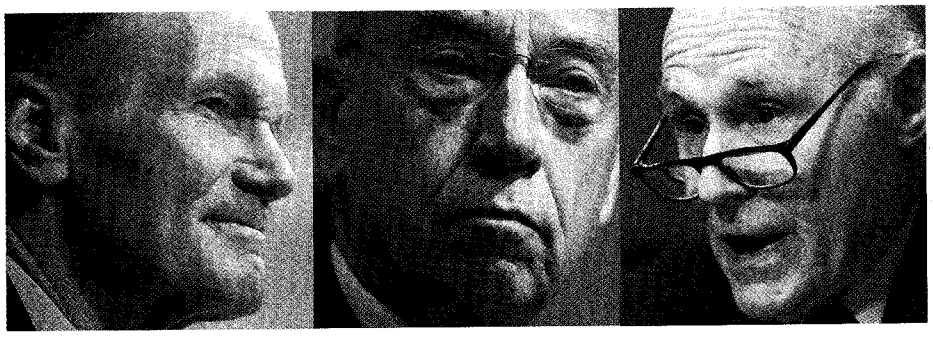
Diana Smith, a former director of surgical services at Broadlane who was privy to the selection process, sees the situation differently. "It should have been a no-brainer," Smith told me when I met with her in Dallas. "Garrett had a good product, and it was cheaper than everybody else's. But GPOs make their money by charging vendors fees. And if you get a percentage of sales, going with a lower bid from a little company just loses you money and pisses off the big vendors with multiple contracts."

Smith, who provided the information on which bids were chosen, adds that the tricky part for GPO executives is getting member hospitals to sign off on higher-priced contracts, something she says Broadlane did by presenting the statistics in ways that, though technically accurate, were often misleading. In the case of the towel bid, hospital administrators were shown a PowerPoint presentation (a copy of which she gave to me) indicating that going with the Medline and Medical Action bids would save them between 6 and 29 percent. But this was relative to the same companies' bids the previous year, not the bids offered by other vendors. "Our job was to bamboozle hospital CFOs and purchasing managers," Smith explained. "My boss used to call it getting them to drink the Broadlane Kool-Aid."



The inquisitors: Senators Bill Nelson, Charles E. Grassley, and Herb Kohl have launched an investigation into GPOs' business practices.

The Broadlane decision turned out to be the death knell for Bolks's towel company. But he continues to come up with new devices. Last April, I visited him at his office in Tulsa, which was stuffed with crumpled cardboard boxes full of medical supplies, and he showed off his newest invention—a black handheld wand and a diode about the size of a fleck of pepper with a tiny antenna poking out from one side. He explained that the idea was to embed the diode, which gives off a special frequency, into all kinds of surgical supplies. That way, if objects are left inside patients, the wand can be used to detect them before the incision is even sown back up. "The towel was nice—at the time it was innovative," Bolks added. "But this was the product I felt could make a major contribution." However, his savings are too depleted to put it into production, and he has been unable to drum up outside funding. "Investors know how the system works," he explained. "Without a GPO contract, it doesn't matter how good your product is. Even if I could wave this wand over your body and cure you from cancer, chances are I couldn't sell it to hospitals."

Stories like these abound among small suppliers, a number of whom have filed suit against GPOs. But most are wary of speaking out. Several talked to me off the record. At least a half dozen more agreed to speak, only to back out at the last minute or retract their statements after we had spoken. "Most people who know this world wouldn't speak to you under threat of subpoena," one former GPO executive told me. "They are terrified."

As for the GPOs and their advocates, they argue that if small companies have trouble breaking in, it has to do with the quality of their wares. "Why do small manufacturers fail?" Curtis Rooney, president of the Health Industry Group Purchasing Association, the trade organization for GPOs, asked when I met him at his Washington office. "The answer is that they don't have a product." He added that GPOs pick vendors through competitive bidding, which puts small companies on equal footing with their larger rivals.

Rooney also stressed that most GPOs adhere to the code of conduct, which he argued assures openness and competition. But while the code sets firm guidelines regarding conflicts of interest—GPO employees are barred from holding stock in companies whose contracts they are in a position to influence, for instance—when it comes to core business practices, it is vague. Rather than setting caps on kickbacks, for example, it merely directs GPOs to take steps to ensure that any financial perks don't "encroach upon the best interests" of hospitals and clinics. Obviously, this leaves room for maneuvering. And, while the industry generally keeps its business practices under wraps, critics charge that the tactics that raised red flags in the past continue. In fact, there is evidence to this effect. Some GPOs admit in their limited public disclosures to collecting "fees" of 25 percent or more of vendors' sales. Others continue to pursue aggressive bundling programs—the GPO MedAssets now bundles together everything from sutures and bedpans to blood-oxygen monitors and cafeteria services (although hospitals have a certain number of opt-outs).

In some cases, GPOs have backed away from their old practices only to revive them in modified form. After the last congressional probe, Premier introduced its own stringent code of conduct and began signing contracts with multiple suppliers for most products nationwide. But it has since begun working with regional hospital groups to forge deals that drive sales to a few preferred vendors. Through a recently launched program called ASCEND—a program the company's president, Mike Alkire, has called "the future model of Premier"—it has also begun locking individual hospitals into sole-source agreements for a wide variety of products. What's more, Premier's code explicitly bars it from pursuing sole-source deals and bundling for what are known as "physician preference items," meaning

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those that are seen by doctors as affecting the quality of patient care. But during Premier's official quarterly conference for suppliers last February, ASCEND's director, Andy Brailo, suggested that, while hospitals are not *required* to sign restrictive deals for physician-preference products, the company is taking steps to persuade them to do so. He added that Premier is "investigating things even down to profit sharing with the physicians." (Premier maintains that either Brailo misspoke or his words were taken out of context, and that the company "does not include physician preference items in the commitment associated to the ASCEND program" or "engage in profit sharing programs of any type with physicians.")

Prakash Sethi, president of the International Center for Corporate Accountability at Baruch College and author of a recently published book on GPOs, argues that if the industry hasn't transformed itself, that's because the pay-for-play system remains intact. "It's a gravy train," he explains. "Why should they get off it? We can't even begin to talk seriously about GPO reform until we realign the financial incentives so that hospitals, not vendors, are their main clients."

The multibillion-dollar question is what this incentive system means for health care costs. GPOs maintain that by pooling hospitals' buying power and getting big medical suppliers to submit to competitive bidding, they are able to negotiate better deals and save hospitals billions of dollars. If this weren't the case, Blair Childs, Premier's senior vice president for public affairs, argues there would be no reason for hospitals to join. "They wouldn't use our contracts if they weren't competitive," he told me. "Many of these hospitals have tiny margins. They've got to get better products, better prices, better value."

Industry-funded studies support these cost-saving claims. In fact, one recent study found that GPOs save hospitals as much as $36 billion a year. The problem is that, rather than hard numerical data, this figure is based on surveys of hospital administrators. And while survey takers weren't asked what yardstick they used to measure savings, the study's author, Arizona State University professor Eugene Schneller, says that hospitals generally base their figures on the discounts they get off GPO list prices, often in return for agreeing to buy from select suppliers. Obviously, this is a far less meaningful benchmark than what they would pay for the same supplies if they negotiated prices on their own. But, then, most hospitals don't appear to have that information. An earlier survey of hospital purchasing managers by supply chain expert Lynn James Everard found that most of the managers who claim to know what they are saving through their GPOs know only what their GPOs report to them.

The idea of hospitals outsourcing oversight of their supply budgets may seem hard to fathom. But the price of medical supplies is not always tranparent. Makers of the costliest devices and equipment tend to be secretive about pricing and generally require buyers to sign gag clauses promising not to disclose what they've paid, which makes it difficult for hospitals to comparison shop. (In fact, this is one reason GPOs maintain their services are necessary.) Also, many larger hospitals hold stakes in GPOs, and even smaller ones have less incentive than outsiders might think to pour over cost reports, since insurance companies and government programs, like Medicare and Medicaid, are picking up the tab for much of their supplies and equipment.

As for independent assessment of GPOs' effect on costs, they are hard to come by. But the little information that is available suggests that they may actually drive *up* the price of supplies. A 2002 pilot study by the Government Accountability Office found, for instance, that hospitals that went through GPOs paid more for safety needles and most models of pacemakers than those that negotiated prices on their own—for some pacemakers the median gap was as wide as 39 percent.

Even more unsettling are the findings of MEMdata, a Texas-based company that helps hospitals process their bids for new equipment and captures the quotes in a database, so that administrators can compare the prices they are offered to what others have paid. Shortly after the company opened for business, founder Bob Yancy says he discovered that bids hospitals got through their GPO contracts were substantially higher than the ones he or medical centers that weren't locked into GPO pricing could get by negotiating directly with vendors for the same equipment. Yancy later had his staff add a field to their database to track just how GPO bids stacked up. Over the last seven years, his company, which serves more than 500 medical facilities, has collected tens of thousands of bids. On average, Yancy says, the GPOs' prices are 22 percent higher than the ones that hospitals can get on their own. "The bottom line is that hospitals are being systematically overcharged," he told me, when I met him at a Washington, D.C., restaurant. "GPOs are inflating the pricing."

When Shaw's patents run out, the Chinese will be the ones poised to bring his technology to the world market, meaning all the jobs and economic benefits that could have gone to Texas residents will instead go to citizens of the People's Republic.

To back up these claims, Yancy sent me more than three dozen paired bids, including two quotes for a suite of endoscopy equipment from the same vendor that were issued on

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the same day. The specs were identical, from the cameras down to the fiber-optic cables. But one had "aggressive pricing" scrawled across the top and came out to $83,000, while the other had the name of a large GPO above the header (Yancy asked that the name and other sensitive details be withheld to protect his business contacts), and was priced at $131,000—or nearly $50,000 more for the same equipment. In other cases, the picture was less clear; there were modest variations between the specs of the two bids, for instance. But the overall pattern was unmistakable.

The experience of hospitals and clinics that have struck out on their own seems to confirm Yancy's findings. When Iowa Health System, a chain of ten Midwest hospitals, cut ties with Premier some years ago, it immediately shaved $7 million a year off its supply costs, a savings of more than 12 percent, according to the *New York Times*. Similarly, in 2005 a chain of community clinics affiliated with the University of California, Los Angeles, began going outside its Novation contract to buy chemotherapy drugs and managed to save $800,000 a year.

Despite all the talk during the health care reform debate about "bending the cost curve down," GPOs barely entered the conversation. Critics of the system find this baffling, since the problem could be fixed by simply getting rid of the anti-kickback protections.

And yet, despite all the talk about "bending the cost curve down" in the runup to health care reform, GPOs barely entered the conversation. Critics of the system find this baffling, especially since most believe that *if* GPOs are driving up prices, the problem could be fixed by simply getting rid of the anti-kickback protections. Nevertheless, lawmakers appear to have limited appetite for taking the issue on. Last August, Congress launched an investigation into GPO contracting practices, and the Government Accountability Office followed suit. But Senate staffers now say that hearings on the subject are unlikely to be held this year, and may not be held at all.

Part of the reason interest has waned seems to be that those who know enough about the system to care aren't eager to change it. "Hospitals are a big constituency in every district," explains one senior Senate staffer involved in the ongoing GPO investigation. "And hospitals support GPOs. Reform, on the other hand, doesn't really have a lobby, which can make it difficult to take action."

For Shaw this unsolvable riddle has become a kind of obsession. He turns it over and over in his head like an engineering problem, as if the fix might come to him if he just looks at it from enough different angles. Perhaps the part he finds most perplexing is that it was largely government grants that paid for him to develop his retractable syringe. "I've spent twenty years fighting to return my obligation to the American taxpayer and to a government that turns its head from its responsibility to protect the free market," he says. "The taxpayers got screwed out of the technology they paid for."

Even today, Shaw continues to develop new products. In fact, he has brought five of them onto the market in the last two years, including the IV catheter syringe. But his efforts remain consumed largely by the struggle for access. Among other things, he has hired a lobbyist to agitate for the repeal of the anti-kickback exemption and filed a stack of lawsuits, including a second antitrust suit against Becton Dickinson. All this struggle has brought a few scattered victories—most recently last November, when a jury found that BD had used Shaw's patented technology for its own retractable syringe and ordered the company to pay Retractable another $5 million. (The case is on appeal.) But Shaw still isn't any closer to breaking into the hospital market, and in the meantime the life on his patents is dwindling. In just four years, the first of them will expire and the game will be over.

This isn't just bad news for Shaw. Because his company is in the red, he has been unable to pull together the financing he needs to expand his factory in Little Elm. So he has partnered with Chinese companies, which put up money to build assembly lines in China in return for permission to produce his syringes for the Chinese market. When his patents do run out, the Chinese manufacturers will be the ones poised to bring his technology to the world market, meaning all the jobs and economic benefits that could have gone to the local residents will instead go to the people of Gansu Province.

The senselessness of this quandary has driven Shaw to distraction. "We are devoting our entire lives to something we know is going to fail," he told me during my final visit to his office. "If we expected anything else, it would be devastating. If somebody's holding you under water and they let you up and you think you're going to escape, you're going to go insane." He was in one of those moods where he paces about, his mind flitting from outrage to outrage so quickly that it can be hard to follow the flow, much less stop it. As I got up to leave, he trailed me down the stairs and out to the parking lot, where he stood amid the gravel and grit in his socks. Even as I backed my car out of the lot, he was still talking. The question is whether anyone out there is listening. WM

Mariah Blake is an editor of the *Washington Monthly*.

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Picturesque but contentious: Google Maps made this village Chinese, temporarily. India wasn't pleased.

Annabelle Breakey

The Agnostic Cartographer

How Google's open-ended maps are embroiling the company in some of the world's touchiest geopolitical disputes.

By John Gravois

One fateful day in early August, Google Maps turned Arunachal Pradesh Chinese. It happened without warning. One minute, the mountainous border state adjacent to Tibet was labeled with its usual complement of Indian place-names; the next it was sprinkled with Mandarin characters, like a virtual annex of the People's Republic.

The error could hardly have been more awkward. Governed by India but claimed by China, Arunachal Pradesh has been a source of rankling dispute between the two nations for decades. Google's sudden relabeling of the province gave the appearance of a special tip of the hat toward Beijing. Its timing, moreover, was freakishly bad: the press noticed that Google's servers had started splaying Mandarin place-names all over the state only a few hours before Indian and Chinese negotiating teams sat down for talks in New Delhi to work toward resolving the delicate border issue.

Google rushed to admit its mistake, but not before a round of angry Indian blog posts and news articles had flourished online. Some commentators posited outright conspiracy between Beijing and the search engine. "Google Maps has always been more biased towards China over the Arunachal Pradesh border dispute," surmised an Indian blogger. Even more ominously, one former member of Parliament told the *Times of India*, "The Chinese know how to time their statements ahead of a bilateral meeting."

Google responded in a manner that radiated chilly omnipresence—by posting a statement in the comments section of what appeared to be every single Web site that had discussed the mix-up. "The change was a result of a mistake in our processing of new map data," Google announced. "We are in the process of reverting the data to its previous state, and expect the change to be visible in the product shortly."

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One mystery remained, however: how did such an error happen in "the product" in the first place? Why did Google have that perfect set of Chinese names lying around, ready to swap in for the Indian ones?

Google remained silent on this point, but a Belgian blogger named Stefan Geens pieced together a compelling answer. Within China, Geens pointed out, the law commands that all maps represent "South Tibet" (aka Arunachal Pradesh) as fully Chinese. And Google Maps maintains servers in China that fall under Chinese law. In fact, Google runs an entirely separate maps site, ditu.google.cn, for Chinese users, which operates within the great Chinese firewall. This isn't just a one-off concession to the party leaders in Beijing: Google maintains thirty-two different region-specific versions of its Maps tool for different countries around the world that each abide by the respective local laws. Thus on India's version of Google Maps, for example, all of Kashmir appears as an integral and undisputed part of the country—because Indian law sees it that way. Similarly, "Arunachal Pradesh" is nowhere to be found on ditu.google.cn. What you find instead are all the same Chinese place-names that caused the uproar of Google Maps in August.

Google may be just as imperious in its approach to knowledge as the nineteenth-century European powers were in their approach to territory. It simply wants to have searchable dominion over as much information as possible—the more plural and local, the better.

"Somehow," Geens surmised, "data intended for the China map must have ended up in the global map." Was it all simply the result of an ill-fated drag-and-drop? Whatever exactly may have occurred, the whole episode illustrated the perils of geopolitics in the age of neogeography.

Just five years since the release of Google Maps and Google Earth, the corporation may well be the world's most important mapmaker. More than 600 million people around the world have downloaded Google Earth. As a testament to ambition, that number alone would be remarkable. But Google is also intent on upending our very notion of what a map is. Rather than produce one definitive map of the world, Google offers multiple interpretations of the earth's geography. Sometimes, this takes the form of customized maps that cater to the beliefs of one nation or another. More often, though, Google is simply an agnostic cartographer—a peddler of "place browsers" that contain a multitude of views instead of univocal, authoritative, traditional maps. "We work to provide as much discoverable information as possible so that users can make their own judgments about geopolitical disputes," writes Robert Boorstin, the director of Google's public policy team.

Ironically, it is that very approach to mapping, one that is indecisive rather than domineering, that has embroiled Google in some of the globe's hottest geopolitical conflicts. Thanks to the logic of its software and business interests, Google has inadvertently waded into disputes from Israel to Cambodia to Iran. It is said that every map is a political statement. But Google, by trying to subvert that truth, may just be intensifying the politics even more.

The late modern era—the age that brought us industrialization, high colonialism, and mechanized warfare—was a good time for mapmakers. Colonial authorities like the British Royal Engineers sent survey teams to the far reaches of the globe to sustain the European powers' outward march. Exuding an industrial-age clear-sightedness (and the vanity of the gainfully employed), cartographers consecrated their profession to the ideals of scientific objectivity and rational standardization—even as their work advanced the narrow mercantile and strategic aims of their state employers.

That progressive scientific ethic in mapmaking found its loftiest expression in 1891, when a German geographer by the name of Albrecht Penck proposed to the world's cartographers that they create a single "International Map of the World," composed of 2,500 highly standardized individual maps, each representing four degrees of latitude and six degrees of longitude, at a scale of 1 to 1 million. With great international fanfare, the project sailed off the ground in 1913, sputtered through World War I, and then suffered a blow from which it never really recovered when the program's central office, in Britain, was wrecked in a bombing raid during World War II. The very powers that had conceived of the grand project were now engaged in another enterprise: destroying each other.

The end of the colonial period, hastened by World War II, ushered in a broad crisis in geographical data collection. "The modern era collapsed under its own weight," says Michael Frank Goodchild, a British American geographer at the University of California, Santa Barbara. "By the 1970s it was apparent that it was no longer going to be sustainable to have a world in which national governments sustained geographic information."

In some ways, that postcolonial crisis of information is still with us. "The standard U.S. topographical map is now on average thirty-five years out of date," says Good-

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child, who is widely regarded as a founding father of geographic information science. "Modernist government data collection efforts like the census are in decline all over the world." In certain parts of Africa, old British colonial maps are still the best thing going.

But where government surveyors have ceased to tread, satellites have zoomed in. These have helped to fill the cartographic vacuum, but not everything can be seen from an unblinking eye in space. Satellites, for example, don't know the names of local landmarks. That's where another of Google's capabilities comes in. Over just the past couple of years, Google has been able to build maps of heretofore barely charted cities in Africa, South Asia, and the Pacific Rim—maps that would have brought tears to the eyes of those who struggled for decades to assemble the International Map of the World—by tapping into the same extraordinary resource that has driven so much of the Internet's expansion: ordinary people. Using a fairly straightforward editing tool called Google Map Maker, volunteers all over the world have been shaping, revising, and detailing maps of their surroundings. "Essentially," Goodchild says, "they're replacing the traditional production systems that governments are no longer willing to fund."

That new user-generated system of production, married to the technology of searchable "virtual globes" like Google Earth, has given rise to what people have begun calling "neogeography." In the colonial era, the mapmaker's imperative was to tame the foreign wilderness with names and boundaries—to discipline a profusion of facts and claims into a narrow and authoritative set of data. Now the profusion of facts and claims is a feature, not a bug. With the ability to zoom in on visual fields of higher and higher resolution, a digital map can contain more and more information—various local names for the same landmark, personal annotations, a picture of someone's dog in a field. "The modern era was an era of the expectation that every feature should have a single name, and a top-down authority would determine that," says Goodchild. "I think we're moving past that with digital technology." With policies that often favor ambiguity, Google maintains centralized control over the most official features on its maps—national borders, bodies of water, and the like—while in the "community layer" of map information, users have an open canvas. Geography has been democratized.

This isn't to say that Google is a democracy. In its own way, Google may be just as imperious in its approach to knowledge as the nineteenth-century European powers were in their approach to territory. The corporation simply wants to have searchable dominion over as much information as possible—the more plural and local, the better. (More unique search terms mean more revenue streams.) Meanwhile, by filling the information vacuum left behind by the old state powers, Google has also made it inevitable that it will sometimes be confused for them.

At this point, Google's reach has become so vast that, whenever the corporation becomes involved in a geographical spat, it's effectively an international incident. Border disputes have become a common vexation. Earlier this year, the government of Cambodia wrote a formal letter of complaint to the corporation—and shared it with the press—because of Google's depiction of a disputed border with Thailand near an eleventh-century Khmer temple complex in Preah Vihear Province. In the letter, a senior Cambodian official very publicly declared Google's representation of the border "devoid of truth and reality, and professionally irresponsible, if not pretentious," not to mention "very wrong and not internationally recognized." Suddenly the corporation from Mountain View—which introduced its mapping platform in 2005 with the words "We think maps can be useful and fun"—was making headlines as a major party in a remote jungle conflict that has claimed at least seven lives in recent border skirmishes. Google said it would review the matter, but pointed to Tele Atlas, a third-party firm that supplied the data in question, and suggested that Cambodia should direct its complaints there.

One day, Google mistakenly gave Mandarin place-names to a disputed province governed by India but claimed by China. It was freakishly bad timing, hours before Indian and Chinese negotiating teams sat down for talks to resolve the delicate border issue.

Other disputes stem directly from Google's participatory model of mapmaking. In 2008, the small Israeli city of Kiryat Yam sued the corporation for libel after a Palestinian civilian named Thameen Darby went on Google Earth and tagged the town as the site of an Arab village destroyed by Israelis in 1948. Darby had annotated hundreds of other sites throughout the country, noting the purported locations of former Palestinian settlements that were wiped away during Israel's formative years. But the officials of Kiryat Yam took issue with Darby's geography; they claimed the city was built by Holocaust survivors on a barren stretch of dunes, not over the ruins of evicted Palestinians. Darby, they said, had sullied the city's reputation.

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Rather than sue Darby, though, they sued Google. The lawsuit, in other words, was an attempt to hold the corporation liable for something an ordinary user had posted to a community layer of Google Earth.

Another major genre of Google-era geopolitical dispute doesn't involve borders, but simply names. One of the most active online petitions in the world today is an Iranian campaign hosted on the Web site PetitionOnline.com. In light of recent political events, you might guess the campaign would involve some grievance against the Islamic Republic. In fact, the petition's target is Google, and its goal is to secure the "immediate and unconditional deletion of 'Arabian Gulf' from Google Earth." First posted on February 19, 2008, the online petition against that decision has gathered 1,235,743 signatures—and counting.

Since the 1960s, the disagreement over what to call the body of water that separates Iran from the Arabian Peninsula has been one of geography's perennial feuds. "Persian Gulf" is the name recognized by the United Nations, while "Arabian Gulf" is a comparatively new moniker whose use came into fashion during the heyday of Arab nationalism. In the eyes of Iranians, the name "Arabian Gulf" signals a frontal assault on their national history. Defending the name "Persian Gulf" has become one of the few truly unifying pastimes in Iranian politics. Factions that bitterly oppose each other will line up together in the name's defense—or else attack each other for insufficient loyalty to it.

What is Google? Is it a repository for all of our mutually exclusive claims, or is it a higher power to which we appeal? It cannot be both, and yet we seem to treat it as both.

Unfortunately for Iran, sometime in early 2008 Google Earth decided to display the names "Persian Gulf" and "Arabian Gulf" side by side. The ensuing Iranian online petition, harking back to the values of the old nineteenth-century mapmakers, faults Google for being "unscientific" and ignorant of "international standards." The petition invokes the authority of the United Nations, whose official endorsement of the name "Persian Gulf" is grounded in a small library's worth of archival maps, literary references, and other historical source material.

Google responded to the debate with a rather novel set of cartographic norms, throwing all historical criteria out the window. Two months after the "Immediate and Unconditional Deletion" petition went live, the corporation posted a statement explaining its protocol for naming bodies of water. The statement, which made no direct mention of the Gulf or the Iranian petition, explained that Google decides what to call various geographical features purely by determining what names are in use today. Google Earth "displays the primary, common, local name(s) given to a body of water by the sovereign nations that border it," wrote Andrew McLaughlin, Google's then director of public policy (and now President Obama's deputy chief technology officer). "If different countries dispute the proper name for a body of water, our policy is to display both names."

The statement then transitioned into upbeat talk of the democratization of information. "One of the great features of Google Earth is that it enables us to provide significantly greater amounts of information than flat paper maps," McLaughlin wrote. "It is our fervent hope that different communities will use Google Earth as an open platform to create content that accurately reflects their views."

Of course, while an open platform for discussion is exactly what Iranians want in a Web site like PetitionOnline, it's not what they want in an international map. No party to a dispute likes an undecided referee. (And in fact, few parties to these disputes trust Google's claims of neutrality: much as Indians suspected foul play when the corporation dropped Chinese place-names into Arunachal Pradesh, the sponsors of the Iranian petition simply suspect a conspiracy between Google and the oil-rich Arab states on the other side of the Gulf.)

Unpopular as it may be, such uncertainty has become a central dynamic of life on the Internet. The erosion of traditional authority is followed quickly by anxiety over its absence, from Google to Wikipedia to the lesser-known precincts of PetitionOnline—where millions of people direct their impassioned grievances not to any official arbiter but straight into the ether. What results is an irony. The digital culture that encourages the inclusion of multiple names for a single feature on a map is the same digital culture that has encouraged hundreds of thousands of Iranians to voice their discontent. The very medium incites nationalism, yet also frustrates it.

It all points back to a simple question: What is Google? Is it a repository for all of our mutually exclusive claims, or is it a higher power to which we appeal? It cannot be both, and yet we seem to treat it as both. This tension may only heighten going forward. "In a world where mapmaking is cheap and anyone can do it," Goodchild says, "you would eventually expect things to become more and more local." In such a future, either we will reconcile ourselves to the lack of a central arbiter, or the conflicts will be all over the map. WM

John Gravois is a writer and editor based in the Middle East.

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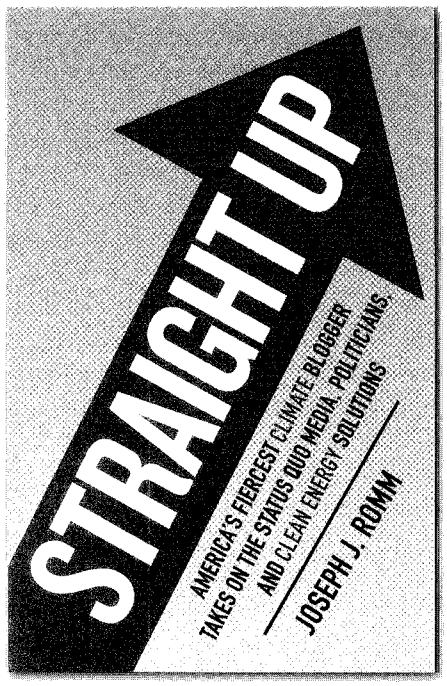
Climate of Opinion

Blogger Joe Romm drives the global warming debate in Washington. But has he left the rest of the country behind?

By Bill McKibben



Straight Up: America's Fiercest Climate Blogger Takes on the Status Quo Media, Politicians, and Clean Energy Solutions

by Joseph J. Romm
Island Press, 248 pp.

Blogging is still a new enough art that we're only now learning the various possible styles—only now figuring out what makes a truly talented blogger. There are inspired generalists like Andrew Sullivan, who each day write about a wide range of issues with an exhilarating all-in brio. And there are inspired specialists, like Joe Romm, who earns the sobriquet he gives himself in the subtitle of this book. He is fierce—fierce with opponents and fierce in general, driven to use the Internet as a weapon in the very specific fight to wring a climate bill out of the U.S. Congress. As a result, this book—a collection of some of his thousands of blog posts—is a good way to think not only about climate but about the uses of the Web. (Full disclosure: Romm has reprinted several of my pieces on his Web site.)

Climate first. Romm, a former Department of Energy appointee in the Clinton administration, knows his climate science, um, cold. Trained as a physicist, he is unintimidated by scholarly work, and is able to synthesize huge amounts of complex data. He has been a persuasive voice for the most important truth about global warming: that it is a far worse problem than either politicians or the general public understand. In his posts and in his previous book *Hell and High Water* Romm has made the stakes clear. "If we stay anywhere near our current emissions path," he writes, the century will bring "staggeringly high temperature rise, especially over land ... [and] sea level fires of some five feet. Dust bowls will cover the southwestern United States and many other heavily populated regions around the globe. Massive species loss will occur on land and sea—affecting 50 percent or more of all life."

These changes may sound remarkable to most journalists who have been covering climate as a "he said, she said" ideological debate for two decades, but in fact they are relatively uncontroversial middle-of-the-road projections. (If you want your hair properly curled, Google "James Lovelock" and "global warming.") But it has been Romm's willingness to repeat these concerns, over and over, that has been essential in emboldening a few opinion writers—Tom Friedman, for instance—to keep this message in the mainstream media.

Romm has been consistent in insisting that we have much of the technology necessary to at least *begin* tackling the problem. He regularly documents the gains we could easily squeeze from commonsense efficiencies, like ending tropical deforestation, to creating a massive program to paint roofs white so they reflect the sun. He's been a longtime champion of the plug-in hybrid car, for example—a technology that will be available in showrooms in a matter of months, and from GM, of all people. (Hopefully they'll figure out how to knock the price tag for the Chevy Volt below $40,000; it needs to be more than a fringe vehicle.)

Romm is very clear on the economics of climate change: any large-scale adjustment, while not cheap, is affordable, and neglecting the issue as we have done will prove to be

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very expensive in the long run. Indeed, it's hard to read him without understanding just how disingenuous and shortsighted is the Republican argument that we should ignore global warming because it will cost us money. His strongest data—and a card he plays regularly—comes from a 2009 report published by the consulting firm McKinsey. The McKinsey report found so much low-hanging fruit that they estimate most of the first few decades of carbon trimming will actually make us money along the way. Americans waste a *huge* amount of energy—you get a sense of how much when you consider that the average western European uses about half the energy of an American. And most of us are familiar with how to prevent this kind of waste: walk, and drive less; use energy-efficient windows, appliances, and light bulbs; and so on. McKinsey calculates that by simply adopting these measures we would cut our energy consumption by 23 percent in 2020.

The second half of *Straight Up*—and at least half of Romm's daily blog—covers the politics of climate. In general terms he's been a partisan of Al Gore, and a scathing opponent of the Bush-Cheney "reign of error." But that's easy—the bigger role he's played is as a tireless foil to the "right-wing disinformation machine" that has tried—with great success, it need be said—to delay action by confusing and disheartening Americans about global warming. The right's basic message—that there's no need to worry, and that worrying in any effective way would bankrupt the nation—is not supported by the evidence. It is, however, supported by both a good deal of fossil-fuel industry cash and a good deal of wishful thinking from all of us who are so used to the lifestyles underwritten by cheap fossil fuel.

It requires a thick skin to take on the daily task of dealing with the disinformers, but Romm has the taste for this kind of blood sport, and the talent as well. He coined the term "anti-science syndrome" (and its rude acronym) for the campaign to undermine the scientific consensus. He's waged memorable wars with, say, Lord Monckton, the "potty peer" from Britain's House of Lords who dropped his earlier campaign to quarantine all AIDS sufferers for the greater media exposure of trashing climate science.

If he's hard on the right wing, though, Romm is also stern with progressives, mostly for their poor messaging on climate issues. Romm's avocation is Rhetoric, of which he's made a formal study (he disclosed on his blog last year that he has an unpublished manuscript on the topic, which one hopes will see the light of day). Sadly, he writes, "Scientists might even be described as anti-rhetoricians, since they avoid all of its key elements," from tropes to metaphor to alliteration to that most basic of all techniques, repetition. He understands why Sarah Palin is effective, and he understands why most enviro attempts at "framing" go so wrong. One of my favorite posts skewers some well-funded D.C. group for trying to drop the term "global warming" for "our deteriorating atmosphere." He writes, "It is very hard to see how a six-syllable word is going to be a core element of successful messaging." Indisputable, I think—as indisputable as his science.

In fact, my main dispute with Romm's work is his relentless focus on Washington. Since the advent of the Obama administration he has devoted a great deal of his fierceness to attacking anyone who questions the legislative solutions to climate change put forward by the Democrats in the White House and Congress. (Even mild apostasy—like supporting the Senate bill put forward by Susan Collins and Maria Cantwell, instead of the one supported by John Kerry and Joe Lieberman—has been enough to earn the heretic both barrels of Romm's scorn.) It's not that his message is absurd. We do desperately need action from Washington on climate change, and at this moment that action may come only with huge compromise, like the president's recent endorsement of offshore oil drilling. (Though Obama's biggest effort at this, lifting the longstanding moratorium on offshore drilling, just blew up in the Gulf of Mexico. On the plus side, the blowout in the Gulf has given the new energy legislation introduced by Kerry and Lieberman its best chance at passage, demonstrating quite vividly the costs of a dirty-energy economy. And BP has been very helpfully playing the role of villain.)

But Romm's hyper-realism may ignore more important political possibilities. He's paid less attention to the emerging popular movement on climate change than to the machinations of the Senate, but if we're actually going to get change on the scale we need, it's quite possible it won't happen without an aggressive, large, and noisy movement demanding that change. And Romm, who would have a good deal of useful things to say to such a movement, hasn't been very interested. He's deeply Washington centric. And in that he's not alone—most of the D.C. green movement has pretty much written off organizing out in the hinterlands in favor of lobbying in the offices of senators and congressmen. The problem with that strategy, though, is that effective lobbying depends on senators and congressmen actually perceiving that there's some pain involved in doing the easy thing and stalling action. (Pain beyond wrecking the planet—I'm talking real pain, like losing an election.)

I hope the green groups, and Romm as their most important chronicler, regroup and reconsider strategy. It's not impossible to imagine a mass movement devoted to changing how we handle global warming. Two years ago a few of us formed a campaign called 350.org, devoted to spreading the (very critical) news that NASA scientists had set 350 parts per million of carbon dioxide as the most the atmosphere could safely contain. Since we're already at 390 parts per million, we require urgent action if we're to scramble back below the red line. Last fall, 350.org managed to pull off 5,200 simultaneous rallies in 181 countries, what CNN called the "most widespread day of political action in the planet's history." Still, that movement remains in its infancy and still finds too-scant support from D.C.'s green groups.

In some larger sense, it's a reminder that blogging needs to work hard to escape the hermetic seal of the Web. The promise is that the Web will serve as a window open to the world, and Romm serves that promise well; but writing about politics will never replace the need for actually doing politics. WM

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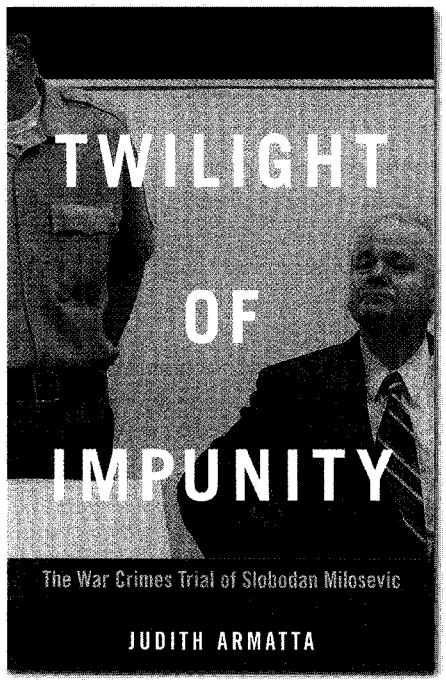
Vague at the Hague

The trial of Slobodan Milosevic was manipulated, protracted, unsatisfying—and absolutely necessary.

By Wesley Clark



Twilight of Impunity: The War Crimes Trial of Slobodan Milosevic
by Judith Armatta
Duke University Press, 560 pp.

Nobel Laureate physicist Richard Feynman describes in his autobiography how, prior to being examined for his doctoral degree, he sat down by himself for a few days and organized everything he knew—and we knew—about physics. It must have been wonderful. And that's just what Judith Armatta has done for the Balkans, the International Criminal Tribunal, and former Serb dictator Slobodan Milosevic, in this amazing book about Milosevic's trial in the Hague. Armatta is a lawyer, journalist, and human rights advocate who monitored the war crimes trial of Milosevic from its inception in 2001 until his death during the trial in 2005. She has brought a boots-on-the-ground understanding of the Balkans from previous work in Serbia, Montenegro, and Macedonia. In her observations, she proves to be an acute student of law, character, strategy, and history.

None of this is easy going. The Balkans is obscure geographically, marginal economically, and loaded with unpronounceable names, often missing vowels. Yet the barbarous inhumanity of some of the participants was shocking, and, at first, ignited widespread media attention. Yet the war—and it was one long war of Serb aggression—was tortuous by design, and, without American ground force casualties, easily ignored by much of the media in the end. In the U.S., efforts to mediate and, ultimately, intervene assumed a partisan character. Even the tribunal has often been publicly derided in the United States. And the trial itself received scant public attention.

Nevertheless, this is a wonderful and important book. Armatta has captured not only the sights and sounds of the court, but also of the Balkans itself, and the book emerges analyzing the biggest themes of international justice. It has enormous implications for the future. And it's these implications, drawn from the specifics of a decade-long conflict, that warrant the most consideration here.

In the interest of full disclosure: I am one of those who found in the Balkans the equivalent of a "lifetime employment opportunity." In one position I worked to help formulate U.S. policy and mediate an end to the conflict in Bosnia. In a subsequent position I was in charge of implementing the military annex of the peace agreement that I had helped author and subsequently leading NATO military efforts to prevent another round of ethnic cleansing. Finally, as a retired officer, at the time in the midst of my own political campaign for national office, I testified against Milosevic at the tribunal in the Hague. So I was not a disinterested reader here.

As Armatta herself observes, the International Criminal Tribunal was largely a product of weakness, not strength. Irresolution, not conviction. High-minded principles with limited authorities. One could generously acknowledge that it was an effort to enforce international legal principles in practice. Or one could somewhat cynically observe that it was in large measure a way for the great powers to salve their consciences when wrongdoing was undeniable and effective intervention politically undoable.

Actually, it was both. Justices were appointed, procedures developed, evidence collected, indictments issued, and calls for arrests made. Those arrested were detained, arraigned, tried, sentenced, and punished. Yet the arrests took years, and the most notorious criminal of all, Serb General Radko Mladic, is still at large. The procedures proved

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incredibly time-consuming and troublesome, with Milosevic's trial dragging on for years. The justices themselves sometimes seemed irresolute, as they brought a certain degree of unfamiliarity to crafting a new process. National cooperation was voluntary. Many Americans who could usefully have testified did not do so. Some from the region feared to appear, and when they did, caviled and wavered in testimony. And from the belligerent parties, one state, Serbia, cooperated very little. Evidence was incomplete—some was classified, and governments refused to provide it. Some was potentially embarrassing and was no doubt deliberately withheld—in the case of Serbia, deliberately withheld to protect the accused as well as the state itself. Witnesses were harassed and often humiliated. Above all, for four years, the court allowed itself to appear to be manipulated by the accused.

It was all painful, and far from perfect. Nowhere to be found was the swift and sure justice of Nuremberg or the Philippines after World War II. To outsiders, it must have sounded like famed "Eurobabble," full of obscure names and references, exaggerated politeness, and legal niceties. Glacially, painfully slow, and unsure. Even the chief justice had to be replaced during the trial, and the accused died before a verdict could be rendered. Most unsatisfying. For many of us, reading Armatta's book brings back all the pain of those years in the Balkans and the frustrations of the trial itself. The eyewitness accounts of the torture, maiming, rapes, and murders are no less gruesome for the passage of a decade—millions of lives were ruined. And the account of the trial brings home the sheer mendacity of the Serb army. We always knew they lied. It was a little hard to accept for some of NATO's military; the Serbs stood up straight, wore smart uniforms, reported to a chain of command, maintained discipline and punctuality, and looked like a military force. But inside they were as rotten as the Gestapo, lying, cowardly murderers and criminals among their top ranks, protected by the trappings of state sovereignty. And Milosevic himself: deceitful, conniving, heartless—a cowardly bully. It is painful to read the words of justices so lacking in "starch" that some allowed themselves to be twisted and manipulated by Slobodan Milosevic.

Nevertheless, this trial may have been one of the most important international events of a new century. A deposed head of state was on trial for genocide. His entire tenure in office was ripped open for public review, at least insofar as the evidence permitted. His victims came face-to-face to confront him with his crimes. His political self-aggrandizement, posturing, and bullying were publicly exposed and debunked. And step by tortuous step, serious charges were being proved. Yes, ultimately the trial was incomplete; through his deliberate risk taking with medications, Milosevic died early and deprived us of the sense of justice that his sentencing and punishment might have conveyed. (Perhaps we can take some small consolation in the fact that he spent the last five years of his life in prison.)

If we take the right lessons away from this trial, we will have decisively shattered the notions of sovereign impunity, even in the ambiguous and deliberately obscure machinations of internal conflict. Those lessons begin with the conduct of the courtroom; a defendant must not be permitted to grandstand, manipulate, and divert the attention of the court, as Milosevic was allowed to do. Require him to speak through counsel; put him in a glass booth; quickly shut down his irrelevancies—justice must appear to be served, not political theater. Interrogatories must be relevant to the proceedings at hand or cut off more quickly.

Judges must not only have a judicial temperament, education, and experience; they must also understand the cultural milieu of the situation, and be strong enough to cut short improper conduct in the court, even from a former head of state. Sometimes we needed from the justices a little more strength of character, and a little less clever understatement.

Also, nations must stretch a little more to provide greater support, especially Western nations, whose norms the court is upholding. Declassifications can be accelerated, witnesses encouraged, and greater priorities accorded international justice. Surely, no element of national power is any more important than law and the legitimacy it confers. But using that power requires attention to its needs. We can do better in the future, and we should.

In particular, we must appreciate the hindrances imposed by sovereign state opposition. As Armatta points out, after the fall of Milosevic, the Serb government established a "cover-up committee," in essence designed to protect Milosevic and Serbia from international justice as much as possible. Documents were denied, false accounts prepared, testimonies falsified, and an entire apparatus of denial and deception perpetuated. The tribunal largely saw through this, but looked to most of us like weaklings for having permitted it in the first place. The West should never have let it happen, and cannot do so again.

The easy cases for international justice, it turns out, are those that follow a decisive military collapse of a regime, like the trial of Saddam Hussein. All the evidence becomes available, and the inhibitions, threats, and intimidation are largely reduced. Popular outrage can also be used to push the process. But in the future, such cases are likely to be the exception, as wars become more often internal conflicts rather than external aggression. And in such circumstances, wouldn't it be wonderful if we could rely more on the deterrent effect of swift and certain justice and less on the mechanics of warfare? But for that, we'll have to really act on the lessons of this trial.

Every practitioner and student of international relations should read Armatta's book. It's a glimpse into the crazy world of state-sponsored criminal violence, and a discovery journey into how to strengthen the reach of international justice. Still, it should also be read with pride, for the West acted—imperfectly and late, yes, but we acted. And ultimately we did stop Milosevic and brought him to trial. He forfeited his life and, ironically, died the way he lived—manipulating, lying, bullying, and heartless. No more fitting end could have emerged. And it will be a powerful beginning of a new era, in places like Darfur and Sudan, if we but have the courage to live the lessons we've learned here. WM

General Wesley Clark was Supreme Allied Commander Europe of NATO during the Kosovo War from 1997 until 2000.

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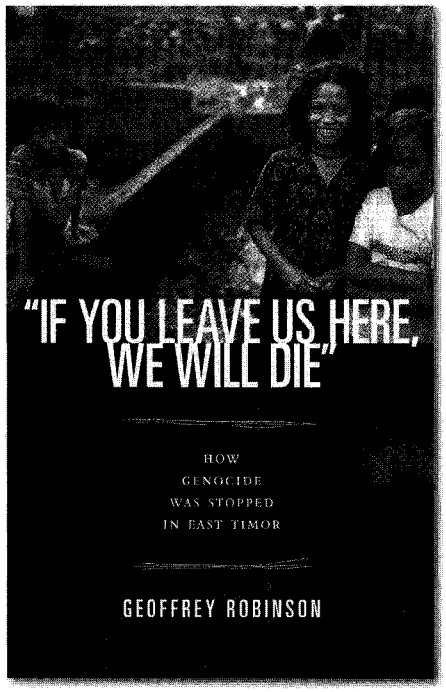
Timorous Invasion

When the UN stopped a genocide in East Timor in 1999, liberals hoped it would be a watershed moment for the cause of humanitarian interventionism. It was, instead, the movement's high-water mark.

By Joshua Kurlantzick



"If You Leave Us Here, We Will Die": How Genocide Was Stopped in East Timor

by Geoffrey Robinson
Princeton University Press, 340 pp.

When I arrived in Dili, capital of the new nation of Timor Leste (East Timor), in early 2006, much of the town still looked like a war had just ended. Shells of burned-out buildings lined the roads, some still pocked with bullet holes. In the hills outside the capital, where groups of displaced people lived in shacks, young children begged for food whenever my friend and I stopped our 4x4. At night, Dili turned into a menacing ghost town, its empty streets patrolled by young men armed with knives and makeshift guns.

That Timor had not yet recovered was hardly surprising. Seven years earlier, in 1999, after the former Portuguese colony occupied by Indonesia since 1975 had voted in a referendum for its independence, pro-Indonesia militias razed the tiny half island. The campaign of slaughter would not have been out of place in the Rwandan genocide or the brutal West African wars: gangs of militiamen wielding machetes and automatic weapons hacked, disemboweled, and beheaded known independence supporters, aid workers, journalists, and anyone who happened to be in their way at the wrong time. Thousands died, 70 percent of Timor's infrastructure was destroyed, and nearly half the population of East Timor fled their homes and wound up as refugees.

And yet, as longtime Timor observer and former United Nations official Geoffrey Robinson shows in his meticulously researched and powerful new book, *"If You Leave Us Here We Will Die": How Genocide Was Stopped in East Timor*, for all the blood spilled on the tropical half island in 1999, East Timor then also seemed like a watershed. Despite having minimal strategic interests in East Timor, major powers like the United States and the United Kingdom backed an armed humanitarian intervention that, under the auspices of the United Nations, ultimately stemmed the violence and, in the long run, allowed Timor to finally break from Indonesia and build its own state. Robinson suggests that the armed intervention might even have prevented an all-out genocide in Timor in 1999. "There was an unusual openness [at the time] to the idea of international humanitarian intervention and—particularly after the NATO operation in Kosovo in mid-1999—a sense that such interventions could succeed," he recalls.

In fact, at the time many human rights activists and liberal policymakers in the West thought that Timor, like the humanitarian intervention in Kosovo earlier in 1999, would be just the first of many such missions. With the Cold War over and superpower conflict seemingly on the wane, new technology bringing coverage of abuses to a wider audience in the West, and a new alliance between liberals and conservatives over the need for aggressive humanitarian intervention, the era of Western powers standing by as massacres like Pol Pot's Cambodia, Rwanda, or Srebrenica took place could be over.

Ten years later, unfortunately, those hopes seem almost quaint. Turns out East Timor wasn't a watershed moment in humanitarian interventionism so much as its high-water mark. As great power conflict once again has emerged, the war in Iraq has soured liberal politicians—and much of the American public—on the use of force, and the war on terror

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has forced governments to make serious compromises with autocrats once again, the 1999 Timor intervention now seems like a long, long time ago.

The violence that exploded in East Timor in 1999 was hardly unexpected. At the time, Robinson was serving as a political affairs officer for the United Nations Mission in East Timor, and in the months before the August 30, 1999, referendum, he and his coworkers saw many signs that the powerful Indonesian military, working with and clandestinely arming Timorese who did not want independence, were preparing for a massacre if the population did not vote for integration with Indonesia. In one of many similar incidents Robinson remembers, before the vote pro-integration militias surrounded a group of people sheltering in a Catholic church in the Timorese town of Liquica, and then rushed inside, hacking and shooting people; at least fifty died.

The campaign of slaughter in East Timor was reminiscent of Rwanda. Gangs of militiamen wielding machetes and automatic weapons hacked, disemboweled, and beheaded anyone who happened to be in their way.

That the independence side would triumph also seemed assured. After hundreds of years as a sleepy backwater of Portugal's colonial empire, in the mid-1970s, as Lisbon released its last colonial possessions, a Timorese independence movement sprung up, led by men such as Xanana Gusmão, who would become a guerilla leader during the era of Indonesian rule and, later, the first president of an independent East Timor. But in 1975, Indonesia invaded, with the tacit consent of the United States and other powers, including the regional power, Australia. In a meeting with the Indonesian dictator Suharto at the time, President Gerald Ford and Secretary of State Henry Kissinger made clear they would not stand in the way. "Whatever you do," Kissinger told Suharto, according to documents later released through the freedom of information process, "we will try to handle it in the best way possible." After taking tiny East Timor by force, Indonesia launched a brutal military occupation. According to Robinson's estimate, as many as 200,000 East Timorese died from the occupation in the late 1970s, close to half of the population at the time. But with the world divided by the Cold War, Indochina just having fallen to Communists, and Suharto accusing Timorese independence advocates of leftist ties, the West still said little about Jakarta's unlawful occupation.

By 1999, however, Suharto was gone and Indonesia itself had begun to change. The previous year, the Asian financial crisis had decimated Indonesia's economy, triggering massive street protests. Suharto was forced to hand power to Vice President B. J. Habibie, who put Indonesia on a path toward democracy and declared that East Timor would be allowed to hold a referendum on continued integration or independence. Habibie, and the Indonesian military, may have believed that, combined with intimidation tactics, enough Timorese genuinely supported Indonesian rule that the integration side would triumph. But like most colonizers, they were terribly wrong about local loyalty. Remembering twenty-five years of Indonesian brutality, on voting day Timorese dressed up in their Sunday best and turned out in massive numbers. More than 98 percent of eligible Timorese voted, and the independence side triumphed, taking over 78 percent of the poll.

Almost immediately after the vote, the bloodshed began. Militias stabbed to death a local UN employee, and when Robinson and his colleagues went to retrieve the body, armed militiamen and Indonesian soldiers surrounded them, and the UN workers fled the scene—helped by the fact that, at that point, the militias seemed less willing to attack foreign UN employees. Militias and soldiers began to torch buildings in Dili and other towns, killing inhabitants as they escaped the flames. Timorese began fleeing into the hills outside the city or to churches, where militias hunted them down and stabbed and hacked them to death, leaving corpses lying around the church compounds. Militiamen attacked relief organizations like Doctors Without Borders and shot at UN staff; within days, Robinson found, "Dili was a flattened, smoking ruin." The killing continued to spiral, though it was not the frenzied, uncontrolled rage it seemed to be at first. As Robinson notes, in every town in Timor the violence proceeded along a set pattern that seemed to be preordained. Often, as in the Rwandan genocide, the militiamen arrived in towns carrying lists of potential targets to kill. Later, Robinson and other observers would uncover clear evidence showing that Indonesian army officers had conspired to arm the militias and organize their killings.

Many Timorese, who remembered how the world had stood by as Indonesian forces massacred them in the late 1970s, expected the same treatment this time. Sister Esmerelda, a nun sheltering refugees after the 1999 vote, faced down a group of UN officers on the ground who seemed ready to evacuate in the face of militia violence. "We are not surprised that you plan to leave us now," she said. "We are used to being abandoned in our times of greatest need."

But times had changed. Unlike in the 1970s, now the world paid attention. Within days after the post-vote killing, key states began to pressure Indonesia to help restore order in Timor; when Jakarta clearly could not (or would not), the major powers, working through the UN, called for an armed humanitarian intervention led by Australia, a neighboring country with a sizable Timorese exile community and other ties to East Timor. Australia contributed more than half the troops to the force, and other developed nations joined in. "Now it is clear that the Indonesian military has aided and abetted militia violence in East Timor," declared President Bill Clinton. "We are ready ... to mobilize a multinational force." Within a week of a resolution authorizing the force, the UN, led by Australia, had landed armed peacekeepers on the ground in Timor. Even Indonesian neighbors like Malaysia, once wary of alienating another Southeast Asian country, contributed to the force. These trained and committed troops quickly re-

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stored order, and the violence subsided, allowing relief organizations to arrive in Timor and prevent famine and disease outbreaks. Without this intervention, Robinson notes, "In all likelihood we would now be speaking not of fifteen hundred dead but rather tens of thousands."

Why did the world move so quickly and forcefully in East Timor, when it had vainly vowed "never again" in the face of mass killing so many times before? While in the late 1970s the Timor massacres had barely registered in the West, now journalists on the ground in Dili could use their satellite phones to quickly beam stories and photos of the violence to Western news outlets. Suddenly, once obscure Timor was the top story in newspapers, Internet sites, and newswires around the world. In the years since the 1970s, a dedicated and well-organized Timor human rights network had grown up, headquartered in Australia and other countries, and they made sure the Timor stories and searing television images quickly got into the hands of prominent Western politicians, and organized pressure groups to descend on Whitehall and Congress. "Through this unprecedented media reporting, ordinary people who had never heard of East Timor became aware of it, while church, human rights, and activist groups pointed to [the reporting] as definitive evidence that something must be done," Robinson writes. It worked. As one senior Western diplomat told Robinson, his country's decision to back intervention "was not driven by realpolitik but by reactions to images on the television."

On the ground in Timor, UN employees, burned by criticism of the organization for its powerlessness in Rwanda and the Balkans, stood tough. When some officials at headquarters in New York suggested a total evacuation of foreign UN employees from Timor, essentially leaving the refugees holed up in the UN compound to their fates, staff in Dili refused to leave, Robinson notes, putting pressure on Turtle Bay to act. Within the UN headquarters, too, top leaders embarrassed by Rwanda, where Kofi Annan had been in charge of peacekeeping, had begun to embrace the idea of armed interventions. From early in the Timor crisis, Annan, now secretary-general, stood forcefully by the UN staff on the ground, declining to order an evacuation that would have abandoned the 1,500 refugees in the UN compound in Dili. Later, Annan used his bully pulpit and private diplomacy to convince Security Council members to sign onto an intervention.

But the UN has no power on its own, and its leaders—most importantly, the U.S.—stood behind the Timor force. If during the Cold War the idea of humanitarian intervention had seemed like a luxury Washington could not afford, it now seemed like a luxury worth having. With the economies of the U.S. and Australia soaring and a world ready for the End of History blossoming of peaceful democracies, suddenly a situation like Timor—or Kosovo—appeared to be what armed force now would be used for.

Meanwhile, liberals, who since the Vietnam War had linked military intervention to a kind of neoimperialism and rights abuses, could now support the use of force. A new generation of liberal internationalists, like Samantha Power and Michael Ignatieff, supported the use of force and called for a doctrine backing intervening to prevent crimes against humanity. This call ultimately would result in the idea of the Responsibility to Protect, a set of principles promoted by former Australian Foreign Minister Gareth Evans and debated at the UN about when it was acceptable for the world to violate a country's sovereignty and send troops in to prevent horrific crimes. By the beginning of the third millennium the Responsibility to Protect seemed like it would become an accepted part of international law.

And if America backed an intervention in 1999, who would stop it? Russia and China did not welcome the Timor force, but at the time Moscow teetered on the verge of bankruptcy and Beijing still had not fully recovered from the stain of the Tiananmen massacre. Indonesia would, at first, protest the multinational intervention, but absent its once vital role in the Cold War, Jakarta had become just another developing country with limited power.

Perhaps most important, the Timor intervention, like Kosovo, seemed to come at little cost to the international community. These campaigns appeared to be clear, rapid triumphs. The UN began to consider building a sizable permanent rapid reaction armed peacekeeping force, to be deployed to hotspots as needed. The organization sent one of its most capable diplomats, Sergio Vieira de Mello, to Timor as the proconsul in charge of rebuilding.

Lauded for his Timor work, de Mello was sent to Iraq, where in 2003 he died in the massive bombing of the UN headquarters in Baghdad. Vieira de Mello's death was, in many ways, symbolic. The shaky international consensus for intervention that had existed in the late 1990s, too, was shattered by the Bush administration's decision to invade Iraq. Many liberal interventionists, like Michael Ignatieff and Peter Beinart, had supported the Iraq War as a logical extension of some of the arguments for humanitarian intervention made in the 1990s, even though there was no imminent humanitarian disaster looming in Iraq as there had been in Timor or Kosovo. But when the Iraq War turned into a nightmare, it not only stained the reputations of neoconservatives who had pushed for the invasion, but left many liberal interventionists feeling embarrassed, burned, and wondering whether humanitarian claims increasingly would be used as facile reasons to support interventions

The shaky international consensus for intervention that had existed in the late 1990s was shattered by the Bush administration's decision to invade Iraq. Many liberal interventionists who supported that war were left feeling embarrassed and burned.

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that really were about other priorities. In a prominent *New York Times* op-ed published in 2008, former Secretary of State Madeleine Albright, who during the Clinton administration had presided over the Timor and Kosovo forces, bluntly declared "the end of intervention." Ignatieff, who would go on to be the Liberal Party leader in Canada, warned that "humanitarian intervention is no longer in the frame for any Western state," and declared that his initial support of the Iraq War, on humanitarian grounds, was a terrible mistake.

The looting and slaughter that descended on Iraq, combined with photos of prisoner abuse in Abu Ghraib and disclosures of sanctioned CIA torture, also cost the United States the moral high ground, a loss exploited by dictators repressing their own people. When Western human rights advocates began pushing, in the mid-2000s, for intervention in the genocide in Darfur, the Sudanese government countered that an imperialistic foreign power, as in Iraq, wanted to meddle in a Muslim land again. And unlike the Indonesian government in 1999, now Khartoum got a hearing. Though the International Criminal Court had indicted Sudanese leader Omar al-Bashir for crimes against humanity, the Arab League welcomed him at summits like a visiting king. Even prominent scholars in the West, like Columbia professor Mahmood Mamdani, essentially echoed Khartoum's claims. In a widely acclaimed book, Mamdani compared the Save Darfur movement to a recolonization of Africa and suggested that the push for intervention was a part of the Bush administration's campaign to dominate the Arab-Muslim world.

The postintervention chaos in Iraq and Afghanistan also showed Western interventionists that the initial joy—the arrival of peacekeepers in Timor, the toppling of Saddam's statue in Baghdad, the withdrawal of Serb forces in Kosovo—would be followed by years of bloody and expensive reconstruction and nation-building, which few Western nations had the stomach for. Timor seemed easy; Iraq and Afghanistan anything but. These massive reconstruction projects drained Western treasuries—Iraq alone has cost over $900 billion in U.S. taxpayer money—and, understandably, made Western publics wary of future interventions.

Other changing global trends also contributed to the death of intervention. Ten years after Timor, the world no longer paid as much attention to remote war zones. With news reporting budgets slashed to the bone, the global economic meltdown focusing attention on jobs and unemployment at home, and the Internet mostly making the West more interested in itself, the kind of large-scale foreign coverage like Timor in 1999, requiring many reporters, security guards, and transport, became rarer and rarer. Even major wars like Afghanistan received scant coverage from most news organizations, and remote battles went totally ignored. The war in the Congo has, to date, consumed more than three million lives, but it rarely even receives a mention in Western news outlets. And this lack of reliable information has complicated the work of human rights NGOs and pressure groups, the types of organizations that, in 1999, rapidly brought the Timor crisis to the attention of Western policymakers.

The UN presence after 1999, which cost billions, served mostly to create a cadre of well-paid aid workers in Dili who enjoyed new cafés and Thai restaurants far beyond the reach of average Timorese.

By the time of the Darfur slaughter, too, America's unipolar moment had ended. Even if, after Iraq and Afghanistan, the West still wanted to intervene to stop a massacre, it now faced a new superpower, China, one that has made the upholding of state sovereignty its core foreign policy principle, primarily because Beijing does not want other nations meddling in Tibet, Xinjiang, or Taiwan. From Darfur to Iran to Uzbekistan to Burma, China—usually joined by a resurgent Russia—has used its Security Council veto to uphold sovereignty and block the possibility of sanctions or interventions. China's defense of sovereignty has won support, not only from other autocrats but also from democracies like India and South Africa, where the public remembers years of meddling by the West and remains highly suspicious of any interventions. (Not surprisingly, the Responsibility to Protect doctrine essentially died a slow death at the UN, undone by countries concerned about sovereignty like China and India.)

Even if China's defense of sovereignty hadn't caught on around the world, Washington in 2010 is hardly in the mood to challenge Beijing or Moscow. Reeling from the global economic crisis, deeply in debt to China, and needing Beijing's help to revive the world economy, the Obama administration has taken a soft approach toward the two autocratic powers. On a visit to the People's Republic last year, Secretary of State Hillary Clinton promised that the administration would not allow human rights to "interfere on the global economic crisis, the global climate change crisis and the security crisis." So, when the prospect of action has emerged in places where China has a strong interest, like Darfur (Beijing takes roughly half of Sudan's oil), the U.S. has become far more deferential than in the 1990s.

Perhaps most important of all, as Ignatieff himself admitted, after the 9/11 attacks leaders in the U.S. and other Western countries totally shifted their focus from saving other countries' civilians to securing their own homelands. And in service of the war on terror Western countries became willing to make deals with highly repressive regimes, which made it even harder to hold the moral high ground when addressing abusive regimes like Pyongyang or Khartoum, which actually had built a close counterterrorism intelligence relationship with the CIA and other agencies. While the Clinton administration had blasted Malaysia for its laws allowing indefinite detention of suspects, the Bush administration not only avoided such critiques but also took advantage of Malaysia's draconian statutes to render terrorism suspects.

These dramatic shifts in global opinion have had a decisive impact in tiny Timor as well. Courting Indonesia once

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again, this time as an ally in the war on terror rather than the Cold War, the U.S. and other major powers have allowed Jakarta to avoid any accountability for the crimes committed in Timor in 1999 or in the 1970s. Many senior Indonesian military leaders linked to the 1999 killing live openly in Jakarta, and several have run as candidates for high political office. After the George W. Bush administration restored military relations with Jakarta, the Obama administration now is trying to restore U.S. assistance to Indonesia's special forces, considered the most brutal component of a brutal military.

Meanwhile, the reconstruction of Timor has met some similar obstacles as in Kosovo or Iraq. After the initial euphoria of the peacekeeping operation, aid workers in Timor have had to deal with a country lacking infrastructure, an educated populace, any industry, or many real leaders. In the first years of the UN reconstruction effort, Timor was still viewed as a success story, partly because the glow of the initial intervention lasted. But the massive UN presence after 1999, which cost billions, served mostly to create a cadre of well-paid aid workers in Dili who enjoyed new cafés and Thai restaurants far beyond the reach of average Timorese. By 2006, the UN and the World Bank admitted that Timor actually had grown poorer in the seven years since the large aid presence was created in the country, and, according to a comprehensive report in the *New York Times*, the aid organizations had made minimal headway in improving basic social services like primary education. There are significant deposits of petroleum offshore, in the Timor Sea, and the government has licensed companies to explore offshore, which should eventually lead to production. However, for now the oil industry has created few jobs for Timorese and, so far, has not had a significant impact on local incomes.

Indeed, Timor Leste today is the poorest country in Asia, with infant mortality rates among the highest in the world, resembling Africa rather than high-tech neighbors like Singapore and Malaysia. Some Timorese sadly admit that, in terms of development, they had more stability during the Indonesian period. Warring gangs of militiamen still occasionally battle in Dili and other towns. Shortly after my visit to Timor in 2006, where I was doing book research, several militia gangs came out of the hills to battle in Dili, torching shops and shooting it out in the streets. A much smaller multinational force was sent to Timor this time, again led by Australia, but it has not prevented continued spasms of violence. And unlike in 1999, when hundreds of journalists crowded into Timor's few small hotels, today even the Australian press, which long has taken an interest in Timor, mostly ignores the place.

Will the world, and particularly the United States, ever return to an era of humanitarian intervention like the late 1990s? Given the disappointing results in Kosovo and East Timor, let alone Iraq and Afghanistan, the obvious answer would seem to be no. President Obama had to overcome strong objections within his own party in order to commit more troops to Afghanistan. There is now a whole generation of young liberals and realists who came of age after 9/11 and don't believe the United States can, let alone should, use force to improve the lives of oppressed people in other countries. Meanwhile, the noisiest voice in the GOP today is the Tea Party movement, which tends to have an isolationist view toward foreign policy.

Humanitarian intervention probably never could have met the expectations of some of its advocates in the 1990s—that it would become a broad foreign policy strategy that could protect people around the world from mass violence and other crimes against humanity. Even at the height of the interventionist period, in the late 1990s, the international community did not storm into every crisis—the Burmese government brutalized its people by conscripting them into forced labor and using mass rape as a weapon against ethnic minority women, all while the outside world sat on its hands. Interventions happened only when moral outrage coincided with the particular concerns of key Western powers. The United States saw the mass killings and deportations in Kosovo as a threat to the stability of NATO member countries and to the alliance itself. Though Australia did not have significant security interests in Timor as the United States had in Kosovo, it did want to prevent the crisis from creating an influx of Timorese refugees. Had the United States and Australia not taken the lead and shouldered the lion's share of the burdens in those conflicts, it's highly unlikely that international military interventions would have occurred.

But with that in mind, it's worth noting that the conditions which led to the international interventions of the late 1990s could easily recur in one form or another. After the massive Haiti earthquake earlier this year, the U.S. military quickly rushed assistance to the country, partly because of the scope of the tragedy but also because the Obama administration wanted to avoid having boatloads of Haitian refugees wash up on the beaches of South Florida. Though the U.S. actions were in response to a natural disaster, it is not hard to imagine man-made catastrophes in which the threat or reality of mass death—from political instability in, say, Cuba or oil-rich Nigeria—forces Western countries and the international community back into the game of humanitarian military intervention. In that eventuality, the lessons of East Timor will come in handy. WM

It is not hard to imagine catastrophic situations—from political instability in, say, Cuba or oil-rich Nigeria—that force Western countries and the international community back into the game of humanitarian military intervention.

Joshua Kurlantzick is Fellow for Southeast Asia at the Council on Foreign Relations.

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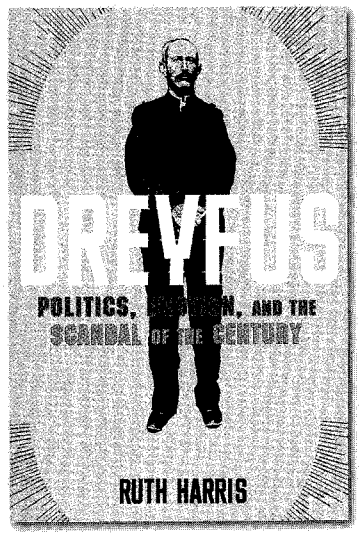
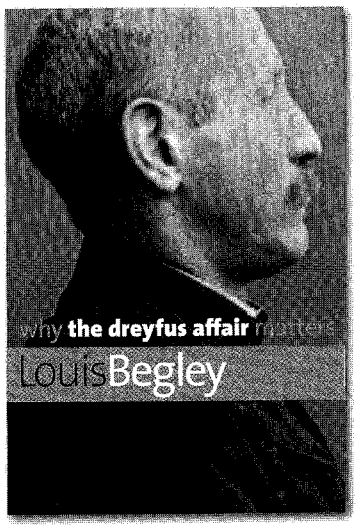
French Connection



Dreyfus: Politics, Emotion, and the Scandal of the Century

by Ruth Harris
Metropolitan Books, 560 pp.



Why the Dreyfus Affair Matters

by Louis Begley
Yale University Press, 272 pp.

What the Dreyfus affair does—and doesn't—tell us about Guantánamo.

By Michael O'Donnell

The most remarkable moment of the Dreyfus affair, which noisily consumed France for over a decade at the turn of the twentieth century, occurred quietly in May 1895. Alfred Dreyfus, a Jew and a captain in the French army, had been wrongly convicted by court-martial of treason, largely on the strength of secret and forged evidence. He was publicly humiliated in a ceremony of degradation before 20,000 people, his epaulets ripped from his shoulders and his sword broken in two as the crowd called for Judas's blood. Then he was shipped off without notice to his family to serve a life sentence of solitary confinement on Devil's Island, a craggy little slice of hell off the coast of French Guiana in South America. A month after he arrived, as he began to comprehend the isolation, heat, malnutrition, and disease, he received a letter from his brother, Mathieu Dreyfus. This is what the letter said:

> *Banal consolations are not what I want to offer; there are none in your situation. But tell yourself that the contempt and shame that attach themselves to your name, to our name, for a crime that you have not committed, must not make you bow your head. You must be alive, amongst us, on the day of reparation. Light shall be shed and it will be blinding, I promise you. I have taken upon myself the task of solving the enigma of this frightful story, and I will never give up, no matter what happens. And I have the certainty, the most complete and absolute belief, that I will succeed.*

One trembles to read words of such power a hundred years and many lattes removed from Devil's Island. Imagine how Dreyfus felt when they reached him. The photo of him immediately after the degradation ceremony is heartbreaking: it is the image of a man crushed beyond all hope of healing who yet tries to retain his dignity. No portrait exists of him during his lonely penal term, yet it would have been infinitely more horrible. His good name would not be restored for nearly eleven years, and then only because of the efforts of Mathieu Dreyfus.

If European fascism were a ladder, the Dreyfus affair would have its own rung. Situated between the Russian pogroms of the 1880s and the first echoes of the goose step, it ushered in the bloody new century with the cry of "Death to the Jews" and the smashing of store windows. Writing in 1951, Hannah Arendt marveled that "[n]either the first nor the second World War has been able to bury the [Dreyfus] affair in oblivion," and observed, "Down to our times, the term anti-Dreyfusard can still serve as a recognized name for all that is anti-republican, antidemocratic, and anti-Semitic." This point has reverberated for sixty years; the affair is still one of the most written-about subjects there is. It prompted the birth of the Zionist movement after Theodor Herzl left France in 1896 to write *Der Judenstaat*, in which he argued that Jews must relocate, not assimilate. It also startled republican France by revealing the depths to which even an enlightened and cultured nation could sink. The second-place finish for Jean-Marie Le Pen and his far-right National Front party in France's 2002 presidential election caused such alarm because it occurred in a country that had both locked up an innocent Jew and moved its government to Vichy.

Ferocious anti-Semitism accompanied Dreyfus's court-martials and the trials of his various allies and opponents. Catholic partisans revived the blood libel, claiming that Jews were kidnapping Christians to bleed them in order to make matzos, and editorialists drew car-

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toons of Jews roasting on spits. When one of the heroes of the ordeal, Georges Picquart—himself casually anti-Semitic—unearthed evidence that Dreyfus could not have been the one who passed French artillery specs to the Germans, he was famously told, "What do you care if that Jew rots on Devil's Island?" Throughout the affair, Dreyfusards strove mightily to deny their opponents the pleasure of claiming that they were financed or otherwise tied to the mysterious and much-feared Jewish "syndicate" that secretly pulled the world's strings.

With scenes like these, it is little wonder that the Dreyfus affair has become one of the great clarifying moments in modern Western history, like John Brown's testimony against slavery or Dietrich Bonhoeffer's work on behalf of the German Resistance. Such moments, refracted by time, become lessons, teaching us to act with an eye to hindsight and reminding us that our public and private decisions are consequential things. When liberals today champion gay rights and denounce draconian immigration laws, they rightly want one day to have sided with the freedom riders, not the bigots with water cannons.

Two new books on the Dreyfus affair grapple with its moralizing and mythologizing effects. One reinforces and the other disrupts standard narratives; yet both are excellent. Louis Begley's *Why the Dreyfus Affair Matters* is a slim, elegant work—another impressive volume in Yale University Press's "Why X Matters" series. Begley is a retired corporate attorney and occasional novelist, a cosmopolitan man-about-town whose prose is as crisp as his resume is distinguished. His book is a fluid, confident survey that clearly sketches the chronology, main players, and historical and literary legacy of the affair while making a provocative comparison to the war on terror.

Where Begley synthesizes, Ruth Harris unpacks. Her goal in *Dreyfus: Politics, Emotion, and the Scandal of the Century* is to unsettle "the orthodox interpretation of the Affair's meaning and significance." A thorough work of scholarship with a firm sense of its own place in the historiography, Harris's *Dreyfus* claims that romantic idealizing of the affair by liberals makes for a sort of told-you-so triumphalism that is "good rhetoric but poor history; it downplays to the point of caricature the sordid dimensions of the Affair, which even today many French seek to forget." The book is a carefully crafted intellectual history of *fin-de-siècle* France that explores at length the biographies and feuds of dozens of Dreyfusards and anti-Dreyfusards. All of Harris's investigations are thoughtful and beautifully written, but in her quest to muddy the waters she occasionally examines issues—like the role the occult played in the affair—that are interesting but not strictly material. For the lay reader, she can stray too close to the line separating valuable context from superfluous detail.

Her thesis attempts to challenge works like Begley's by raising uncomfortable questions about our historical heroes and villains. Here we have a raw injustice—the conviction of an innocent man because he was a Jew, and the dedicated effort by bigoted functionaries to cover up and keep him in chains. Yet in Harris's telling, shades of gray quickly emerge. Dreyfus appears to have possessed none of his brother's eloquence: he had a thin, uncommanding voice and gentle mien. His boosters compared him to the suffering Christ, but to others he came across as aloof rather than pitiable. (His opponents, of course, thought that a Jew had no place in the officer corps to begin with; to them, military honor and national prestige overshadowed the ordeal of one man.) The liberals of France rallied to Dreyfus's cause for wildly disparate reasons: indignation at a wrong, yes, but also anti-Catholicism, disdain for the military, a thirst for anarchy. After Dreyfus was pardoned, some prominent Dreyfusards such as future Prime Minister Georges Clemenceau tarnished the cause by calling him selfish—and a bit too Jewish—for abandoning the national struggle for reform just because his own skin had been saved. Harris addresses these nuances in a spirit of earnest inquiry, rather than knee-jerk contrarianism. At the end of the day, she roots for Dreyfus too, but feels that we honor him better with honesty than with legends.

The liberals of France rallied to Dreyfus's cause for wildly disparate reasons: indignation at a wrong, yes, but also anti-Catholicism, disdain for the military, a thirst for anarchy.

But the issue is one of emphasis as well as honesty. Harris's portrait of novelist and rabble-rouser Émile Zola conveys a similar, and too thoroughgoing, skepticism of mankind's capacity for unequivocal acts. In a remarkable move that lit the fuse of the affair, Zola wrote *J'accuse!*, an open letter to the French president published on the front page of the newspaper *L'aurore*. Printed in a special first edition of 300,000 copies, the article demolished the military's case against Dreyfus and its sham acquittal of the real traitor, Walsin Esterhazy, whose note to a German contact had been recovered by an embassy custodian working for the French. *J'accuse* "was one of the greatest journalistic events of the nineteenth century," Harris writes. Yet she also notes that Zola's essay contained several factual errors and focused on the wrong culprit within the military cover-up. (He thought that Colonel Armand Mercier du Paty de Clam was the mastermind of the conspiracy, when in fact de Clam was more of a bumbling functionary.) Zola's introduction of absolutist terms such as good versus evil, Harris argues, destroyed any hope of compromise, and his intervention had as much to do with vanity and ambition as with springing Dreyfus from jail. Harris suggests that *J'accuse*, like a bombshell departure letter to a former employer, caused a sensation but ultimately made matters worse.

While that is Harris's view, Begley calls *J'accuse* an act of heroism. He hits closer to the mark. "It is impossible to overstate Zola's courage," he writes, noting that the novelist was convicted of criminal libel and wound up fleeing the country to avoid imprisonment. He effectively said goodbye to his family and moved to England, where the wine is bitter and the cheese comes in slices. *J'accuse* was a rash act of moralistic

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high drama, but sometimes one must torch the whole forest—events demand it. Who knows but that Dreyfus would have died on Devil's Island had someone of Zola's stature not decried as loudly as possible the monstrous injustice that had transpired. Begley has the better case in explaining why Zola's letter deserves celebration and even awe, just as his ashes belong in the Panthéon.

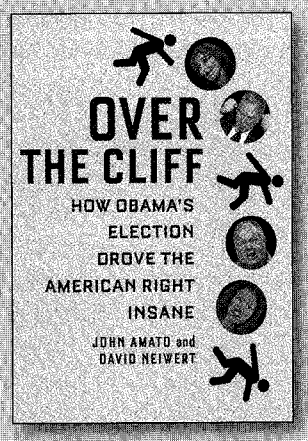
Throughout *Why the Dreyfus Affair Matters*, he develops an extended comparison between Dreyfus and the Guantánamo detainees, urging the U.S. government to learn from the mistakes of its French cousins. The comparison—which even goes so far as to cast Ambassador Joseph Wilson as the war on terror's Picquart—breaks down quickly. Dreyfus was plucked on no evidence from his desk during peacetime, whereas war on terror suspects—even the inevitable innocent ones—were rounded up on a field of battle months after a devastating and unprovoked attack on American soil. To make this distinction is not to condone one of the biggest disasters in U.S. policy in generations, but merely to question an effort to stretch the moral of the Dreyfus affair beyond what the facts will bear.

But the genius in having a lawyer write this book is to draw from France's experience the easily overlooked lesson that procedural protections for the criminally accused are all that separate justice from caprice. Dreyfus was indicted because of anti-Semitism, but he was convicted only after military prosecutors privately lobbied the judges, tampered with witnesses, and submitted secret documents that would have been exposed for forgeries by adversarial probing. Begley's Guantánamo argument is persuasive at least in linking the stacked procedures used to try Dreyfus with the Bush administration's deprivations of due process. The point is well worth making.

Begley's comparison may provoke, but ultimately he takes the traditional view of the Dreyfus affair: black and white, right and wrong—ultimatums, righteousness, and the cry of "never again." Harris is a revisionist—and also a relativist—and she takes the bigger risk by upsetting a story that France has finally learned to live with after many contentious decades. She scorns the valedictory celebration held in 2006 to mark the centenary of Dreyfus's rehabilitation, at which President Jacques Chirac described the affair as a "conspiracy of injustice opposed by honor and truth." Yet while she is right that history contains no storybook heroes, at times her search for nuance obscures the big picture. A Jew was convicted and imprisoned based on forged evidence, and a coalition of men and women fought tirelessly to clear his name. They had their various reasons, yes, and they ultimately redeemed him through the unsavory compromise of a presidential pardon rather than a jury verdict. Yet actions need not be pure in order to be perfect—otherwise, they would not be human. Mathieu's letter to his brother was perfect—a transcendent example of selflessness, courage, and brotherly solidarity. History contains few such moments, it is true. When they do occur, we must not miss them. WM

Michael O'Donnell is a lawyer in Chicago whose essays and criticism appear in the *Nation*, the *Los Angeles Times*, and *Bookforum*.

POWER, HUBRIS, OR MADNESS?



"We all agree with the Taliban"
— Rush Limbaugh, October 9, 2009

America's main international enemy—Islamic radicalism—favors theocracy, curtails civil liberties, embraces torture, represses women, reviles homosexuality, subverts science and education, and reveres force over diplomacy. In *American Taliban*, Markos Moulitsas shows how the American Right shares those very same traits. He argues that our domestic Jihadists are a greater threat to American democracy than any Islamic terrorist.

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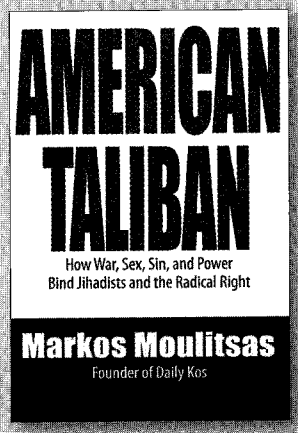

"John Amato and David Neiwert have produced abook that should stay on shelves for 50 years...." *— Rick Perlstein*

The election and subsequent inauguration of Barak Obama brought haters out of the woodwork. To wit, in the first two weeks of Obama's presidency, more than 200 hate crimes, including assault, arson, and even murder, were committed in the U.S.. *Over the Cliff*, blogosphere pioneers John Amato and David Neiwert assert that not only did the election of Barack Obama turn right-wingers intoanti-government zealots; for them, 2008 was The End of the World as They Know It.

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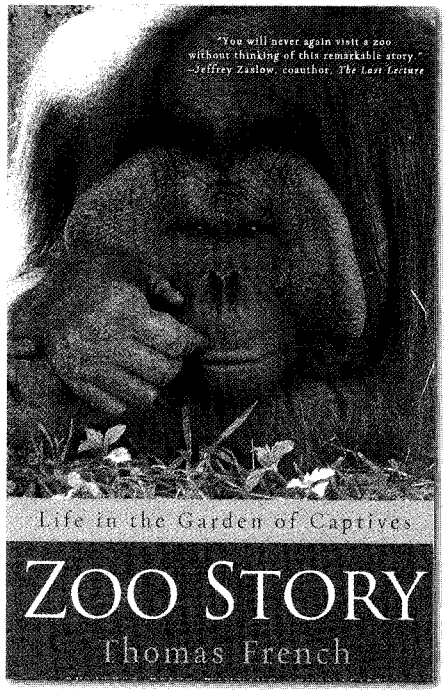
Crass Menagerie

The inside skinny on the modern American zoo.

By Doron Taussig



Zoo Story: Life in the Garden of Captives

by Thomas French
Hyperion, 304 pp.

Every time I go to a zoo as an adult, the same thing happens. I'm enjoying walking around—I'm amused by the otters, amazed by the lions, fascinated by the wolf (it looks so much like a dog!), and a little scared of the polar bear, even though she's on the other side of a moat. Then I get to the gorillas.

The gorillas, to me, are different. Something in their eyes, which often seem to be averted, is more substantive than the indifference of the lions. I don't want to say they look *soulful*, exactly. But the gorillas give me the distinct impression that they understand what's going on: they're living their lives behind reinforced glass, and I'm watching them for kicks. They don't like it. And because they don't like it, it seems to me, they don't belong there.

Now, this is not necessarily to say that because I find deeper meaning in the eyes of a gorilla, no gorilla should be kept in a zoo. After all, some people find meaning in the eyes of a chimp, or an elephant; some sensitive souls find it all the way down the food chain, in the eyes of the mouse in the snake pit. And some don't find it in animals at all. It's very subjective. This much is clear, though: for many people, at some level, something about zoos is disquieting.

If you're like me, you grapple with this discomfort by trying not to think about it, and then forgetting the whole thing until the next time you see a great ape. Thomas French took a different approach: he decided to think about it a lot. French, a Pulitzer Prize–winning reporter for the *St. Petersburg Times* and journalism professor, started paying close attention to Tampa's Lowry Park Zoo back in 2003, when the zoo made the controversial decision to bring in four previously wild African elephants. Over the next six years he inhabited the place, getting to know keepers and animals alike. The book he's written, *Zoo Story: Life in the Garden of Captives*, isn't an explicit attempt to assess the morality of zoos. Rather, it's a narrative of life in the zoo for both humans and animals. But at the heart of the story, surfacing again and again for French and the reader alike, is the inevitable question in the air at any zoo: *Is this okay?*

Before we get further into that, though, I want to make this clear: *Zoo Story* is a very fun read. French manages many feats of storytelling here, but the greatest is writing a book for adults with compelling animal characters. And I don't mean that interesting things *happen* involving animals. These creatures have distinct personalities and biographies. I was completely invested in the story of Herman the chimp, who was born in the wild, then taken into captivity after quite possibly being yanked from the arms of his slaughtered mother. An American man purchased Herman in a market and took him home to raise with his human children—the chimp wore diapers and had his height marked off on the wall. Years later, when he was given to the zoo, he displayed confusion about his species, exhibiting no interest whatsoever in mating with female chimps but propositioning any blond woman he saw, trying to persuade her to bare her shoulders (one female keeper obliges him each morning, explaining that it costs her nothing). If he saw a human male standing beside one of his preferred females, he threw a fit. With his fellow chimps, though, Herman was exceedingly gentle and patient—much like a human raising a baby chimp might be.

Compared to Herman and some of the other animals, the human characters in the book run together a bit. But plenty of interesting things do happen involving humans. The logistical challenges of wild animal captivity turn out, not unexpectedly, to be considerable. Elephants in captivity, for instance, need constant foot care—their toenails and the thick skin of

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their soles don't wear away if they don't walk long distances, and the too-thick skin can crack and develop infections. This means the elephants' feet need to be trimmed, but elephants have a tendency to stomp things that displease them. And there are two of the biggest challenges faced by zookeepers: preventing escapes, and getting endangered animals to reproduce. I won't give too much away, but *Zoo Story* features both a dramatic escape scene and a sex scene more suspenseful than anything a modern-day romantic comedy could muster.

Of course, one possible explanation for the fact that it's so hard to keep wild animals in zoos is that wild animals aren't meant to be in zoos. If elephants need such extensive foot care in captivity, maybe that's a sign that they shouldn't be there?

French makes the difficult ethical questions about zoos evident from the opening of *Zoo Story*, a scene from 2003 in which eleven elephants ride an airplane from Africa to the U.S. The reason the elephants are flying is that they've run out of space in the game park where they lived. It's a human conceit that we're the only species capable of disrupting the "natural" environment; elephants can destroy ecosystems too, eating and trampling forests until they become deserts. Humans have, at points, controlled elephant populations with "culls" (slaughters) that left behind generations of traumatized, rampaging survivors. The administrators of these particular elephants' park had reluctantly decided to try two zoos instead.

The chimp tries to persuade blond women to bare their shoulders. One female keeper obliges him each morning.

Here's the case, as relayed to French by keepers and administrators throughout the book: zoos like Lowry Park treat animals well. They build naturalistic habitats for them (even if some of the features, like fake bird droppings, are more for the humans than the animals) and provide advanced veterinary care and appropriate, healthy diets. They also raise money and awareness for conservation efforts (the zoo animals act as ambassadors of a sort, this thinking goes), provide refuge for endangered species, and help breed those species to increase their numbers.

At Lowry Park, French does find evidence for the case that zoos are a net positive for the animal world. There are lots of endangered species in the zoo, and some of them breed. The institution also has a conservation fund and, moreover, exposes millions of visitors to wildlife they would otherwise never encounter, perhaps raising their interest in and commitment to keeping these creatures on the planet. But French finds reason to be skeptical about the zoo's contributions as well. Yes, it breeds endangered species, but many of the offspring never go back into the wild—is that really "conservation"? And there's the fact that the zoo's CEO makes over $200,000 while keepers start at $7.50 an hour, and that employees regularly complain about understaffing. Lowry employs just one veterinarian for 1,800 animals, which makes French wonder whether the zoo is doing as well by the animals as it should. The zoo argues that its attempts to boost revenue fund its conservation efforts; French points out that "the reverse could be argued as well. Critics often said that such conservation efforts were token gestures, designed to legitimize the larger exploitation that zoos perpetrate every day."

French doesn't try to resolve the conservation vs. exploitation question so much as to survey the relevant considerations. This is fine, but for readers (like me) who hope to come away from a book like this with something more conclusive, he might have made more of an effort to quantify matters by, say, examining Lowry Park's—or all zoos'—conservation efforts more closely. Even if he had, however, we'd still have the unanswerable question of what being in a zoo means for the captive animals—the mystery, that is, of the gorilla's eyes.

French does his best to explore this, by relaying a keeper's observation that the "notion of freedom is a human invention, and that creatures in the wild are rarely free and are in fact confined by territory, hunger, and the constant threat of predators." And he repeatedly (and admirably) ignores Wittgenstein's proscription, "Even if a lion could speak, we could not understand him," by, for instance, trying to guess what it's like for Herman when his human father visits him at the zoo.

He doesn't settle on a definitive answer for this question either. In the end, he just doesn't know if being in a zoo is fair to the animals. His outlook on the institutions generally ends up at something like ambivalent support, spiked with a romantic fascination.

I have only a couple of quibbles with French's work. The first is with his treatment of the animal rights organization PETA, which surfaces occasionally to object to the elephant exhibit and which French tends to dismiss condescendingly even while admitting that the activists aren't necessarily wrong. The condescension isn't a big problem (and it makes for better writing), but it would have been nice if, somewhere in these 200-plus pages, French had found time to sit down with a member and let him or her talk. If French can humanize a tiger, surely he can humanize PETA.

The second issue is that French might have informed his story with a little more context about the broader relationship between humans and animals. Does it make sense, for instance, to get upset about zoos when we have slaughterhouses? And if keeping a tiger in a zoo is unnatural, what would be a "natural" way for a human to interact with a tiger? To get chased down and killed by one, perhaps? Zoos are interesting precisely because they're peculiar, and it might help to know a little more about the norm.

As for French's conclusions, it's probably my own fault that I found them a bit disappointing. It's just not realistic to expect a guy to resolve a philosophical conundrum thousands of years in the making by spending six years hanging out at the Tampa zoo. What French offers here is not clarity, but a compelling story to make us more informed in our confusion. I still don't totally know what to think about zoos, but it's probably better than trying not to think about them at all. WM

Doron Taussig is the project manager of the It's Our Money project in Philadelphia.

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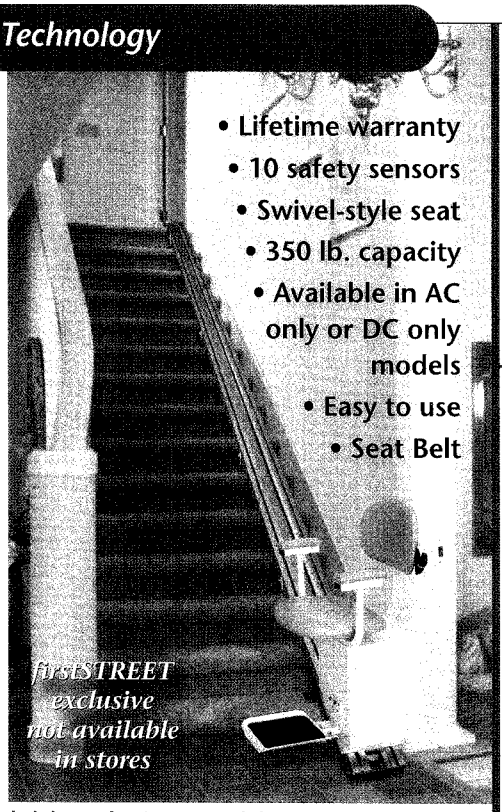

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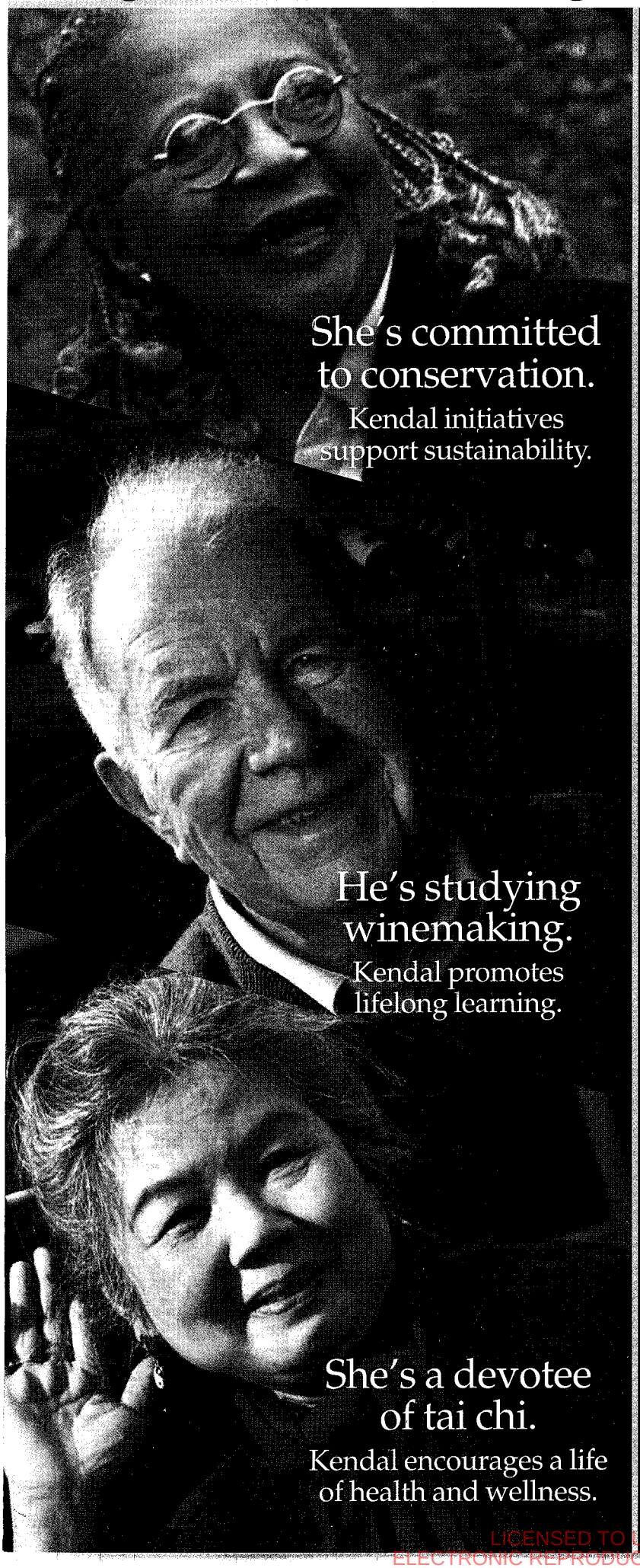

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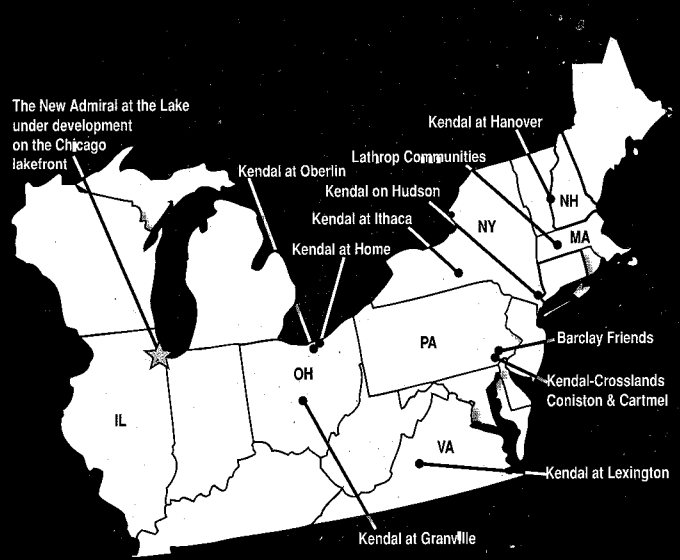

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